



**STATE OF DELAWARE
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW BOARD**

**2020 ANNUAL REPORT
EXECUTIVE ORDER NUMBER FOUR**

**RECOMMENDATIONS TO GOVERNOR
FROM THE GEAR BOARD**

DECEMBER 1, 2020



<https://gear.delaware.gov/>

Table of Contents

EXECUTIVE SUMMARY.....	ii
RECOMMENDATIONS TO GOVERNOR.....	1
JUDICIAL BRANCH.....	2
E-Filing	3
COVID-19 Changes Include Technological Efficiencies	4
Pretrial Reform.....	5
Continue Community Court Implementation.....	5
Reduce Debt Burden on Ex-Offenders	5
EDUCATION	7
EdGEAR	7
Council on Educational Technology.....	8
Data Standardization for Financial Transparency.....	8
Moving Forward	9
FINANCIAL SERVICES DELIVERY	10
Lower Lease Costs and Restructure Lease Program.....	10
Reintroduce Strategic Planning and Performance Budgeting Processes	11
Improve Data Integration and Mapping.....	12
School District Enrollment Projections.....	12
Leverage FirstMap for Data Sharing	12
Establish a State Land Inventory	12
COVID-19 Related Initiatives	13
Make State Financial Processes, Controls and Systems More Efficient.....	13
Improve the State’s Banking Structure	13
The Evolution of Digital Government	14
Leverage Financial Service Delivery (FSD) GEAR Team to Drive Financial Process Improvements.....	14
FSD Onerous Processes—After-the-Fact Purchase Order Approval Process	15
Procurement Card (PCARD) Program.....	15
Travel per Diem	16
COVID-19 - Related Initiatives: Training	16
COVID-19 - Related Initiatives: FSF Additional Hours.....	16
Ensure Effective Internal Control Systems Are Developed and Maintained.....	16
Implement an Integrated Revenue Administration System (IRAS).....	17
HEALTH & SOCIAL SERVICES.....	19
Establish Healthcare Spending and Quality Benchmarks	19
Develop Department-wide Strategic Planning.....	20
Reviewing and Updating Provider Rate Methodologies.....	20
Modernize Public Safety and Security	21

Implementing Telework.....	21
Leverage Federal Funding	22
Deploy Electronic Signature Technology	22
Deploy Automated Procurement System.....	22
Deploy a Constituent Inquiry Tracking System.....	22
Consolidation of Birth to Three and Child Development Watch Programs	22
Consolidation of State-Run Long-Term Care Facilities	23
The Psychotropic Medication Advisory Committee (PMAC).....	23
The Outsourcing of Long-Term Care Laundry Services	24
HUMAN RESOURCES.....	25
Centralize Human Resources	25
Modernizing the Delivery of Human Resources Services	26
Implement HR Process Improvement Programs.....	26
Develop Best Practices in Talent Acquisition.....	26
Reduce Health Care Operating Costs.....	27
Future Activities.....	27
INFORMATION TECHNOLOGY	28
Prior Recommendation Strategy	29
Overview of Current Initiatives	29
In Progress, Recommendations, and Future Activities	30
Pandemic Response Initiatives Recommended for Continuation	31
PUBLIC PRIVATE PARTNERSHIPS (P3).....	33
Strengthen and Grow the GEAR P3 Innovation and Efficiency Award	33
Support “Ready in 6”	34
Next Generation Workforce for Digital Innovation.....	34
Develop a Digital Government Enterprise Strategy.....	34
Identify Public-Private (P3) Opportunities	35
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW (GEAR).....	36
Drive Continuous Improvement Training and Development	36
Augment Program Management Leadership Training Provided by the State	37
Establish Continuous Improvement Teams in State Agencies.....	37
Grow the GEAR Field Team	37
Grow EdGEAR	37
Build and Deploy Standard Practices and Tools for Continuous Improvement Projects	37
DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL (DNREC)39	
Enterprise Content Management (ECM) also known as DNRECTory	39
Modernize Online Services	40
Development and Implementation of Continuous Improvement Training and Education	40

Inventory of Business Processes	41
Environmental Justice Continuous Improvement Initiative.....	41



**STATE OF DELAWARE
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW BOARD**

2020 ANNUAL REPORT

EXECUTIVE SUMMARY

Executive Order #4, signed by Governor John Carney on February 16, 2017, established the Government Efficiency and Accountability Review (GEAR) Board to develop recommendations for increasing efficiency and effectiveness across State government, improve the strategic planning process, improve the use of metrics in resource allocation decisions, and develop continuous improvement practices.

GEAR is a long-term initiative. The GEAR Board has met twenty-one times since its formation. The Board has established seven critical focus areas, identified team leadership and members, completed written charters identifying process and program optimization opportunities, and initiated and completed numerous projects to take advantage of these opportunities.

The Executive Order directs the GEAR Board to issue a report to the Governor in December of each year. The 2020 GEAR Annual Report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2022. The 2020 Report also highlights several "Covid-19 Related Initiatives" comprised of efficiency opportunities arising out of the experience of operating state government during the pandemic. What follows is an Executive Summary of key accomplishments, progress on major initiatives, and key recommendations requiring support from the executive, legislative, and/or judicial branches:

I. SYSTEMIC RECOMMENDATIONS TO SUPPORT GEAR

- **Drive Continuous Quality Improvement Training and Development** -- Consistent with the recommendation made in the 2018 GEAR Annual Report, the First State Quality Improvement Fund (FSQIF) was reinstated by the legislature for Fiscal Year 2020 and funded at the recommend level of \$150,000 per year. The FSQIF program is implementing a training curriculum focused on LEAN Government, project management, program management, and the development of leadership skills. The program will generate new cohorts of trained and certified practitioners able to undertake continuous improvement activities. Current funding will enable training of 20-30 employees annually. The initial cohort underwent training in late 2020, and the next cohort will undergo training in early 2021.
- **Grow the GEAR Field Team (GFT)** -- In 2020, the GFT was formed and recruited a program leader from the private sector with extensive project management expertise. The team now has 15 members representing 6 agencies and the Judicial Branch. As the team continues to prove its value through its activities conducted statewide, growing the team size in a manner consistent with the demand on the team's resources will be considered.
- **Build and Deploy Standard Practices and Tools for Continuous Improvement** Projects -- GEAR is driving the adoption of a standard approach to documenting, modeling, and improving business processes. The GEAR Field Team is developing and documenting a core set of methodologies and is promoting the use of a standard software package supporting these activities. GEAR plans to roll-out a Project Management Playbook which will provide guidance to ensure successful project outcomes. The Playbook is based on training materials developed for the Project Management Institute's (PMI) Certified Associate in Project Management (CAPM) program and will help prepare participants to optionally undertake testing for the PMI CAPM or PMP credentials.

II. JUDICIAL BRANCH

- **Continue E-Filing Initiative** -- Court information is still largely paper driven. In critical areas like criminal and family law, cases continue to be filed manually. The Judicial Branch will implement a modern and unified e-Filing

solution for the Delaware Courts in all Civil and Criminal Jurisdictions. Initiatives to stabilize existing systems are in their final testing phases now. A solicitation process (RFP) is underway, finalists have been selected and the evaluation committee plans to make its recommendation to the Presiding Judges before the end of 2020.

- **Leverage Pandemic Technology Investments (COVID-19 -Related Initiative)** -- The Judicial Branch has continued operations during the pandemic by investing heavily in new technology which allows it to conduct remote hearings using audio and video services. Court personnel have adapted to working remotely. Working with the Department of Correction, additional capacity was added to conduct remote hearings using Zoom video conferencing at several facilities.
- **Continue Community Court Implementation** -- The Community Court is a multi-court initiative with its pilot being facilitated through the Court of Common Pleas. The Community Court is a problem-solving court that addresses low-level crimes, public safety, and quality of life issues at the level of neighborhoods. Community court programs are focused on improving outcomes for the offender and reducing recidivism by addressing factors such as substance use, mental health and unemployment that are generally linked to criminal behavior. The Administrative Office of the Courts (AOC) was awarded the Community Court Implementation Grant from the Center for Court Innovation (CCI) via funds provided by the Bureau of Justice Assistance (BJA). The grant enabled the AOC to accomplish the following: created the Community Resource Center in the Leonard L. Williams Justice Center; created the Annual Resource Center Fair and Back-to-School Drive; implemented Phases I and II of the Community Court and implementation of the Criminal Court Assessment Tool to determine Community Court mandates.
- **Reduce Debt Burden on Ex-Offenders** -- The Judicial Branch is actively studying its use of fees and fines and is seeking to identify ways to reduce the debt burden on ex-offenders in support of improved prospects for rehabilitation. The State can save resources that are spent chasing payments that are unlikely to be recovered and ex-offenders are less financially constrained and better positioned for success including being able to provide for their families (i.e. child support, stable housing, nutrition, etc.).

III. EDUCATION

- **Grow EdGEAR** – EdGEAR was established in 2019 as a GEAR-equivalent program optimized for the primary- and secondary-education (“K-12”) systems. The EdGEAR Board consists of two school district superintendents, one charter head of school, four school district Chief Financial Officers, GEAR representatives and Delaware Department of Education (DOE) staff. EdGEAR created a target list of initiatives for 2020 including (1) eliminating duplicative information systems, (2) optimizing procurement, (3) efficient distribution of surplus and the disposition of assets, and (4) capital projects issues. Due to the pandemic, work on these issues will begin in 2021.
- **Support Data Standardization for Financial Transparency** – In August 2018, Governor Carney signed Senate Bill 172 of the 149th General Assembly, which included and further enhanced the federal school-level financial reporting requirements of Every Student Succeeds Act (ESSA). The intent was to increase transparency of public education expenditures by creating a statewide approach to reporting. In 2019, with the cooperation of districts, charter schools, and the Division of Accounting, DOE established and implemented a required set of common expenditure account codes in First State Financials (FSF) system that are mapped to federal reporting categories. Districts and charter schools began using the standard expenditure codes in July 2019 and standard revenue codes in July 2020.

IV. FINANCIAL SERVICES

- **Lower Lease Costs and Restructure Lease Program** – The Office of Management and Budget/Division of Facilities Management (OMB/DFM) Real Property Management Program covers 118 leases and approximately 1.7 million square feet of rented space occupied by various State of Delaware agencies, costing \$31.3 million annually. To date, OMB/DFM lease restructurings have resulted in more than \$27.9 million in hard dollar rent savings and more than \$5.6 million in soft dollar rent savings (paint, carpeting, etc.) over the life of the renegotiated and extended leases. On average, reconstructed leases have been extended 14 years with approximate hard dollar rent savings of \$2.1 million and soft dollar savings of \$466,000 per lease. The program will continue to expand to encompass all real property utilized by the State.
- **Improve the State’s Banking Structure** -- The Office of the State Treasurer (OST) is responsible for providing banking services by procuring statewide contracts with banking services providers that can meet collection and

disbursement needs across the agencies. Once fully implemented, the new banking architecture will result in significant benefits for OST, agencies, and citizens. OST is projecting to realize significant contract cost savings of approximately \$650,000 per year once fully transitioned – not including an additional \$233,000 estimated increase to the State’s annual purchasing card (PCard) rebate. Finally, the new service providers are expected to provide best-in-class customer service, including additional user training and educational opportunities. Implementation is now in the final stages and should be completed in 2021.

- **Drive the Evolution of Digital Government** – The Department of Technology and Information (DTI), the Department of State’s Government Information Center (GIC), and OST have partnered on a project to leverage economies of scale and improve the digital experience of customers that transact business with the State. The program will consolidate the payment infrastructure and security components for credit, debit, and ACH transactions occurring between the State’s customers and state agencies. An RFP was issued in October 2020 with contracts being awarded in Spring 2021 and new product offerings being deployed in late 2021. Outcomes will include streamlined and secure point to point payment processing, reduced manual transactions, increased self-service payments, and automated reconciliation.
- **Streamline PLUS Meeting Process (COVID-19 - Related Initiative)** -- The Office of State Planning Coordination (OSPC) migrated the monthly PLUS (Preliminary Land Use Services) review meetings to a virtual format during the COVID-19 pandemic. The PLUS meeting provides interaction between regulating agencies, the public, and land developers, applicants, and local governments to discuss proposed developments and comprehensive plans. The virtual format has enabled greater participation and transparency while also saving travel time and related expenses. OSPC recommends retaining the option for virtual or in-person meetings after the COVID-19 emergency is lifted.
- **Reduce Onerous Financial Approval Processes** -- The Financial Advisory Committee is assessing changes that could be implemented to streamline the process for approving purchase order requests where a good or service has been inadvertently delivered prior to the issuance of a purchase order. Increasing the threshold for purchase orders from \$5,000 to \$10,000 would see an estimated 25 percent reduction in purchase order volumes. Permitting cabinet-level leaders of State organizations to internally approve after-the-fact waiver requests below a certain dollar threshold (say \$50,000) would reduce approval processing workloads by 70 percent.
- **Reduce Travel Expenditures (COVID-19 - Related Initiative)** -- Total travel spend declined 22 percent in Fiscal Year 2020 due to the onset of the pandemic. The ubiquitous use of video-conferencing technology for intra-state, interstate and international communication throughout the pandemic provided a case study in how the State can significantly reduce travel spending without sacrificing quality of communications, training or business processes while actually improving employee satisfaction and efficiency. While some travel activities may return to normal after the pandemic ends, we might also anticipate new delivery models for State services and meetings as well as conferences and training that take advantage of technology and allow for ongoing reductions in travel. The Governor and General Assembly should reauthorize SB 243 to permit continued use of virtual public meetings beyond the current sunset of June 30, 2021. The FAC Travel Subcommittee will issue and hopefully award an RFP in 2021 for a travel management company to handle the booking of any remaining out-of-state conveyance and lodging.
- **Implement More Virtual Training (COVID-19 - Related Initiative)** -- The Division of Accounting conducts training for users of the State’s financial management accounting system, First State Financials (FSF). This training has been traditionally held in training rooms at DOA’s facility with hands on training in the State’s training database. With the closure of many of the State’s facilities due to COVID-19 emergency, the DOA training team worked quickly with DTI to establish remote training to ensure users of FSF still had access to this training. Remote classes have fewer students per class than onsite classes had, but the FSF training team has increased the number of users receiving training in this six-month period as such classes are easier to arrange and deliver.
- **Expand Available Hours for Financial Systems (COVID-19 - Related Initiative)** -- With the necessity of providing more flexible working hours for many State and school district employees taking on childcare and remote learning duties during the COVID-19 emergency, DOA expanded the hours that FSF was available. DOA added one hour daily and Sunday hours. Sundays have had an average of 25 users per day.
- **Implement an Integrated Revenue Administration System (IRAS)** -- The Delaware Department of Finance, Division of Revenue (DOR) core transaction system is over 25 years old, mainframe based, and consists of over 100 client server applications. The IRAS implementation will fully modernize DOR’s process systems to create a web-based, real-time, and integrated user experience that automates processing capabilities, optimizes the efficiency and

effectiveness of DOR staff, and strengthens security and internal controls. IRAS will improve DOR's ability to mitigate fraud and will increase revenue with new audit programs and better technology to assist with the collection of delinquent taxes. The project will be implemented in three releases addressing each of the listed taxes:

- Release 1 (November 23, 2020) -- Business taxes such as licensing fees, gross receipts taxes, commodities taxes such as alcohol and cigarettes, and trust fund-related taxes
- Release 2 (Fall 2021) -- Personal income taxes
- Release 3 (Fall 2022) -- Corporate income taxes, partnership, S-corporation, and fiduciary income tax returns

V. HEALTH AND SOCIAL SERVICES

- **Establish Health Care Spending and Quality Benchmarks** -- State spending on health care accounts for more than 30 percent of the State's budget. The rate of growth of spending is twice the State's revenue growth resulting in the crowding out of needed investments in schools, communities, and infrastructure. In 2017, House Joint Resolution 7 authorized the Department of Health and Social Services (DHSS) to establish a health care spending benchmark linked to growth in the overall economy. In 2018, Executive Order (EO) 25 established a subcommittee of the Delaware Economic and Financial Advisory Council (DEFAC) for setting the health care spending benchmark. The benchmark was set at 3.8 percent for calendar year 2019 and 3.5 percent for 2020, with the rate transitioning down to 3.0 percent for calendar years 2022 and 2023. Delaware is the second state in the country to establish a health care spending benchmark and the first to establish health care quality benchmarks. The State will release its 2019 health care spending performance, relative to the quality and spending benchmarks, in the 1st quarter of 2021.
- **Develop Department-wide Strategic Planning** -- The Department of Health and Social Services is comprised of eleven divisions and their 193 individual programs and services. In August of 2018, DHSS issued an RFP to create a new strategic plan with the goals of 1) developing a person centered approach to service delivery; 2) improving the State's public health and safety infrastructure; 3) strengthening DHSS' workforce; 4) enhancing data integration and sharing across DHSS divisions; 5) promoting communication within DHSS and with clients and stakeholders; and 6) strengthening the agency's ability to support continuous improvement and increased efficiency. DHSS issued a draft plan for public comment in July 2020 available at: <https://news.delaware.gov/2020/07/16/delawares-department-of-health-and-social-services-releases-draft-strategic-plan-for-public-comment/>.
- **Review and Update Provider Rate Methodologies** -- During State Fiscal Year 2020, DHSS worked to review existing rate methodologies for all services provided by the department. The study provided information about current rate setting methodologies, services provided, funding available, and made recommendations for DHSS to modernize its current structures. The Department of Health and Social Services is now working to develop a roadmap to identify the periodicity and resources needed to routinely review and update provider methodologies. The objective is to make transparent the rate setting process thereby allowing State decision makers to make informed decisions about when budgets allow for increases. The study can be found at: <https://dhss.delaware.gov/dhss/files/independentstudy.pdf>
- **Modernize Public Safety and Security** -- The Department of Health and Social Services has three campuses and fifteen service centers across the state. Public safety and security functions are decentralized. In March 2020, DHSS completed a year-long project to determine if it could realize efficiencies by centralizing the management of all security-related functions, creating consistent policies across all locations, and addressing disparate staffing levels, funding, and equipment. Two-hundred recommendations were made and categorized based on cost and criticality. Implementation work is in progress and will continue through 2023.
- **Implement Telework** -- The Department of Health and Social Services is the largest agency in State government. In 2018, the DHSS Management Services' Project Planning Group developed a progressive telework policy that helped DHSS address challenges with staff recruitment and retention, improve the agency's ability to maintain operations during an emergency, and reduce its need for leased space. When the COVID-19 pandemic hit, the Division of Management Services created a DHSS Telework Support Team to work with liaisons, from each division, to rapidly implement telework across the department as part of its pandemic response. This highly successful initiative allowed DHSS to continue to perform essential services while keeping its staff safe.
- **Save Energy Costs** -- In August 2019, DHSS completed Phase 1 of green, energy-saving improvements at its buildings and 24/7 facilities. The result of these improvements is an annual 9 percent reduction in electric consumption, 5 percent reduction in water consumption, and 1 percent reduction in heating fuel consumption. The

first-year savings were \$310,000. In November 2020, Phase 2 was launched to include electrical end use improvements, envelope weatherization, increased building automation system control, installation of solar power arrays, laundry updates, reduced excess kitchen and lab exhaust, steam system improvements, and replacement of aging boilers, chillers, and cooling towers. The estimated savings from this project will be \$277,000 annually.

- **Leverage Federal Funding** -- The Department of Health and Social Services continues operating its cost allocation unit to maximize federal reimbursements by analyzing the appropriate statistics to identify, accumulate and distribute allowable costs among state and federal funding sources. In Fiscal Year 2020, this unit identified \$3,214,977 in federal funding to support staff salaries for DHSS's information technology and social worker/case manager positions.
- **Optimize Fees** -- The Department of Health and Social Services fees for the licensing of select professional, facilities and business activities have not been updated over 10 years. The Department of Health and Social Services has identified opportunities to raise \$900,000 in additional annual fees to offset the costs of providing licensing and other services. Progress was made in 2019 with the General Assembly approving changes to the hospital licensing code, including fee increases (HB 9) which raised almost \$19,000 annually. The department plans to pursue additional fee changes including changes to the Division of Health Care Quality's Plan Review Fee structure estimated to raise \$10,000 annually.
- **Deploy Electronic Signature Technology** -- DocuSign was fully implemented by DHSS for contract signing in March 2020. During the COVID-19 pandemic DHSS has sent and completed 4,599 DocuSign envelopes for document signature. This equates to the savings of over 52,000 sheets of paper. Currently more than half of all envelopes/documents are fully-executed within six (6) hours – resulting in lower turn-around times and increased contract processing efficiency. Paper waste has been reduced by 1,130 pounds equating to 19 fewer recycle/trash cans needing to be emptied and the associated personnel cost savings. The contract management and procurement unit's fleet vehicle optimization program has reduced vehicle use by 90 percent across the agency thus saving on gas and maintenance.
- **Outsource Laundry Services** -- To address rising costs for Long-Term Care (LTC) laundry services, DHSS has outsourced this service. Outsourcing costs \$396,000 annually, offset by annual salary and utility savings of \$492,000 for approximate operating cost savings of \$96,000. Outsourcing also avoids operational supply costs, contractor fees, and repair and preventive maintenance expenses, resulting in an overall annual savings of \$200,000.

VI. HUMAN RESOURCES

- **Centralize Human Resources** -- The objective of this effort is to develop best practices for the delivery of human resources (HR) services focused on customer service, efficiency, effectiveness and accountability. During the pandemic the Department of Human Resources (DHR) quickly pivoted to enable employees to work remotely, virtual meetings were scheduled daily ensure the centralized HR offices remained current with all quickly evolving policies and procedures. Using the LEAN HR approach, DHR decreased the Time to Fill for vacant positions by 12.8 percent and the Time to Hire by 14.3 percent. Seven classification and compensation work processes were improved to eliminate the backlog of requests and achieve established turn-around time metrics for 99.2 percent of these requests.
- **Modernize Delivery of Human Resources Services** -- The ability to use technology as a tool to manage service requests and documentation is paramount to efficient delivery of centralized human resources. The Department of Human Resources is supporting 2021 Phase V implementation of the eSTAR timekeeping system. Additionally, through a partnership with the Department of Natural Resources and Environmental Control (DNREC) and the Department of Technology and Information (DTI) DHR-DNREC human resources staff piloted a first-of-its-kind electronic personnel records system. The system's impact on efficiency will be monitored, and if successful, it will be deployed across the department.
- **Implement HR Process Improvement Programs** -- In 2020, DHR worked with GEAR to expand the GEAR-P3 Innovation and Efficiency Award to include the GEAR-P3 Trailblazer Award. These awards support several of the Governor's GEAR strategies including: developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; rewarding State employees that drive potential cost savings resulting from shared services; identifying and showcasing quality improvement initiatives; and sharing best practices across State government. A new Continuous Improvement Practitioner Certificate Program roll-out was negatively impacted by the pandemic, however, remote training will commence in early 2021. This program will build the State's internal population of trained practitioners prepared to undertake continuous improvement initiatives aligned with the GEAR principles of efficiency, effectiveness, and accountability of State government.

- **Develop Best Practices in Talent Acquisition** -- The Department of Human Resources implemented multiple recruitment and retention incentive programs in 2020 for nurses, correctional officers, family service specialists, youth rehabilitation counselors, treatment specialists, ocean lifeguards, and engineers. These programs resulted in an increase in the number of hires and decreased vacancy rates. For example, the vacancy rate for correctional officers decreased by 3.3 percent from the previous year for the Department of Correction.
- **Reduce Health Care Operating Costs** -- The objective of the Statewide Benefits Office (SBO) is to offer State employees, retirees, and dependents high quality healthcare, at an affordable cost, while promoting healthy lifestyles and engaging consumers. Achievements in 2020 included implementing enhanced care management programs and services resulting in a 62 percent engagement rate and 83.4 percent overall employee participation in Open Enrollment. The State Benefits Office implemented a pre-diabetes/diabetes program, established a process to gather metrics and monitor the cost and prevalence of diabetes statewide, and implemented an opioid management program intended to reduce opioid prescriptions. These and other efforts resulted in the State Group Health Program cost being constrained to a 0.9 percent increase, resulting in no increase in healthcare premium rates for the third consecutive year.

VII. INFORMATION TECHNOLOGY

- **Drive Information Technology (IT) Centralization** -- In 2017, the Department of Technology and Information (DTI) engaged a consulting firm with experience in IT centralization to perform an extensive analysis of the Delaware government's IT environment statewide. The findings of the study were delivered to the GEAR Board in July 2018, the most critical of which was that Delaware could achieve substantial savings and cost avoidance by centralizing executive branch IT support through a DTI brokered shared services model. Governor Carney signed SB 153 in June 2019 to create a governance structure supporting the centralization of IT services under the new shared services model. Implementing this new model has resulted in savings of \$315,000 from the review of large state IT contracts over \$1,000,000 per year and the development and implementation of new procurement models for Device-as-a-Service, Data Center-as-a-Service, and Mainframe-as-a-Service.
- **Expand Broadband and Wireless Access** -- Consistent with the Governor's Action Plan for Delaware, DTI champions the expansion of broadband high-speed Internet service in Delaware's underserved areas through public private partnerships. High-speed Internet is essential for the expansion of businesses, education, and quality of life for citizens. The broadband expansion program began in May 2019 targeting approximately 127,000 homes and businesses located in a coverage area that comprises nearly 70 percent of Kent and Sussex Counties. Provider-deployed Long Term Evolution (LTE) wireless equipment on existing state/county transmission towers is now enabling the provision of low-cost services for low-income families, without caps, quotas or other access or usage limits.
- **Promote Ability to Telework (COVID-19 Related Initiative)** -- In 2020, DTI rapidly deployed solutions and technology to enable large numbers of State employees to work remotely during the pandemic. This work included expanding Virtual Private Network (VPN) access, providing virtual meeting tools (WebEx, Zoom), enabling workers to use virtual phones (allowing 740 workers to use their office desk phone from their home computer), and accelerated the provisioning of Microsoft 365 collaboration tools (Teams, SharePoint Online, One Drive).

VIII. PUBLIC PRIVATE PARTNERSHIPS (P3)

- **Strengthen and Grow the GEAR P3 Innovation and Efficiency Award** -- In 2018, the GEAR program, DHR and the Delaware business community represented by the GEAR P3 Task Force, established an annual award to recognize State employees who have demonstrated successful implementations of innovative, continuous improvement projects. Now in its third year, the GEAR P3 award has been expanded to recognize teams ("GEAR P3 Innovation and Efficiency Award") and individual contributors ("GEAR P3 Trailblazers Award"). Those selected for the award serve as models that promote interest and awareness in State government continuous improvement activities, encourage information sharing, and demonstrate the advantage of leveraging successful strategies to other State organizations. In 2020, the GEAR P3 Task Force succeeded in doubling the participation and financial commitment from the business community: nine companies contributed nearly \$25,000, which was matched by the State, for a total commitment of \$50,000 to the award program, thus allowing the State to recognize a greater number of employees. In 2021, funding will remain at this level.

- **Support “Ready in 6”** -- The Delaware Business Roundtable and its partners have launched the “Ready in 6” initiative -- designed to reduce permitting processes in the State that can stretch up to 24 months down to 6 months to help the State compete more effectively for prospective business relocations and expansions. The Roundtable retained KPMG to make recommendations on how the State could strengthen its permitting processes by 1) streamlining communication between state and local agencies; 2) providing greater transparency and cost predictability, and 3) implementing fast-track approval programs for high priority projects. Agencies such as DelDOT, DNREC, OSPC and others have worked to redesign certain business processes in support of speeding approval processes including the creation by the Governor and General Assembly of a Transportation Infrastructure Investment Fund to support fast tracking of key projects. GEAR will explore how to play a productive role in assisting agencies with process mapping and redesign to help reduce turnaround times.
- **Drive Next Generation Workforce for Digital Innovation** -- Delaware and the nation continue to experience significant adverse economic impacts due to a lack of IT resources. These deficits result in talent being imported from other states, and even abroad, instead of from Delaware’s educational institutions which serve as workforce pipelines. GEAR P3 will help plan and support a multi-industry group whose objective is to foster programs that produce the next generation of IT professionals in Delaware ready to drive digital innovation.
- **Identify Public-Private (P3) Opportunities** -- The GEAR-P3 team will continue to work with State agencies, the Delaware Partnership for Prosperity (DPP), and other entities to find specific opportunities for the public and private sectors to work together to create solutions that enable the State to better serve the citizens of Delaware.

IX. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL

- **Enterprise Content Management (ECM)** -- The Department of Natural Resources and Environmental Control (DNREC) has implemented the “DNREctory” ECM solution to provide every DNREC employee with the capacity to scan, index, store and version control documents electronically. The new solution enables workflow support to track approvals, eSignatures, in addition to document search and publication. The Division of Air Quality (DAQ) is utilizing DNREctory to capture incoming mail and route all documents electronically, speeding up the mail process by 40 percent. All documentation pertaining to employee transfers within the agency are 100 percent paperless. Many additional divisions, departments, organization are planning adopt the ECM solution in the 4th quarter of 2020.
- **Modernize Online Services** -- The program objective is to convert legacy applications and manual permitting, licensing, and registration processes to an electronic platform. The ePermitting program has decreased the amount of time it takes to complete a request, i.e. halving an average request session time from 15 to 7 minutes.
- **Develop and Implement Continuous Improvement Training and Education** -- The Department of Natural Resources and Environmental Control has developed and implemented a program of continuous improvement, problem-solving, and LEAN methodology training. Three of the foundational courses have been taken by more than 170 employees in 2020.
- **Inventory of Business Processes** -- The Division of Watershed Stewardship is developing a comprehensive inventory of processes as part of the division’s efforts to focus on making improvements to the Tax Ditch Program. Utilizing the GEAR standard business optimization tool, the Tax Ditch Program modeled +40 business processes, created two geographic information service dashboards to respond to stakeholder requests, and has helped identify 231 previously unknown gates (location and type) along tax ditches. Working with the GEAR Field Team, the Division of Water developed an inventory of all permitting, licensing and compliance enforcement processes. The inventory facilitated the consolidation of 12 licensing forms to four, the standardization of management practices for three programs within the division and enabled self-permitting and general permits for high value, low risk activities. This will result in a 25 percent reduction of staff workload in the target sections and will reduce the average customer permit approval time from two weeks to two hours.



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**FROM THE GEAR BOARD
DECEMBER 1, 2020**

Executive Order #4, signed by Governor John Carney on February 16th, 2017, established the Government Efficiency and Accountability Review (GEAR) Board. At the time, the State faced a projected Fiscal Year 2018 budget deficit of \$350 million that was addressed that year through a combination of spending cuts and tax increases. It was understood in 2017 that similar deficits would be likely to recur in the foreseeable future if long-term actions and structural spending and revenue reforms were not undertaken. As part of this effort, GEAR was created to develop recommendations for increasing efficiency and effectiveness across State government, improving the strategic planning process, improving the use of metrics in resource allocation decisions and developing continuous improvement practices.

GEAR is just one component of ongoing fiscal reform efforts that build upon the State's existing strong fiscal governance practices. In June 2018, the State approved a budget appropriating 97 percent of available General Fund revenues, holding back \$47 million of projected revenues above the constitutional mandated 98 percent rule. That same month, Governor Carney signed Executive Order 21 requiring the Delaware Economic & Financial Advisory Council (DEFAC) to calculate an advisory Benchmark Index and Appropriation based upon sustainable measures of economic growth to guide the development of the Governor's Recommended Budget. In June 2019, the General Assembly adopted a budget largely adhering to the advisory Benchmark Appropriation, using extraordinary revenues for one-time operating and capital expenditures, and establishing a new \$126.3 million Budget Stabilization Fund to be available for appropriation in exactly the types of scenarios faced by the State in 2017. In June 2020, when available revenue dropped below the advisory Benchmark Appropriation as a result of the pandemic, the General Assembly adopted a budget that addressed half of the gap through fiscal policy by growing the budget by half of the Benchmark Index and the other half by drawing half of the Budget Stabilization Fund (\$63.2 million) – consistent with the budgeting approach outlined in Executive Order 21.

GEAR complements these efforts over the long term by supporting efficiency initiatives that reduce or temper State government spending growth, thus freeing up resources for other needs. Since its formation, the GEAR Board has met twenty-one times. The Board established seven critical focus areas, identified team leadership and members, completed written charters identifying process and program optimization opportunities and initiated work on projects to take advantage of these opportunities.

The Executive Order directs the GEAR Board to issue to the Governor an annual report, no later than December 1st of each year. This 2020 report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2022. The 2020 Report also highlights several "Covid-19 Related Initiatives" comprised of efficiency opportunities arising out of the experience of operating state government during the pandemic. This report is available at <https://gear.delaware.gov>.

The Board supports the recommendations described in the following focus areas:












- Judicial Branch
- Education
- Financial Services Delivery
- Health and Social Services
- Human Resources
- Information Technology
- Public/Private Partnerships
- Government Efficiency and Accountability Review

JUDICIAL BRANCH

The goals of the Judicial Branch focus group Charter are to be more effective, more efficient, and fairer while maintaining public safety. The COVID-19 pandemic has caused some initiatives to decelerate or be suspended. The need to continue operations through the public health emergency compelled the Judicial Branch to adopt new information technologies which have delivered operational efficiencies, and whose use will be continued after the emergency has receded.

Prior Recommendations Summary

To make positive criminal justice reforms, the State of Delaware has focused on ways to improve its use of technology and data sharing, simplifying and making statutes more cohesive, and giving offenders a better chance to succeed.

Project	Status	Comments
Standardized Sentencing Orders	 2 yellow	The developed solution has gone through several iterations and rigorous testing by Court subject matter experts. Implementation is delayed due to resource constraints, and changing priorities encountered during the pandemic.
Criminal and Civil e-Filing	 1 green	The Judicial Branch has made considerable progress with its consultant and is engaging vendors in a solicitation for e-Filing, Case Management and Document Management solutions. General Fund support is required.
Technology to Reduce Costs, such as Costs for Transporting Inmates	 1 green	By working with the Department of Correction, additional capacity has been added to conduct remote hearings using Zoom at several facilities. Additionally, the Judicial Branch is working with the Videophone Committee to find an alternative solution to the point-to-point video phones now in use. The new solution is expected to be used after COVID-19.
Eliminate the Manual Payment of Bail	 3 red	This project has been paused during the public health emergency due to the reprioritization of critical initiatives. This project remains a priority for the Case Management, Document Management and e-Filing projects.
Increase the Capacity for Data Management and Statistical Research	 2 yellow	Additional resources for SAC and DELJIS would be beneficial for all criminal justice agencies, and the State, since funds allocated to programming resources could be more efficiently allocated.
Criminal Code Reform	 1 green	SB 40 and SB 52 were introduced in the 150th General Assembly after continued discussions with key constituencies. Work will continue with members of the criminal justice community to determine if other bills relying on the work completed on behalf of Criminal Code Reform should go forward.
Modernize the Pre-Trial System	 1 green	Implementation of HB 204, the risk assessment tool and interim court rule, went into effect January 1, 2019. Since then a committee has been working on revising the interim rule to create and adopt a final court rule that is easier to understand and apply.
Reduce Debt Burden on Ex-Offenders	 1 green	The Governor's Office, Judicial Branch and the Department of Correction collaborated on SB 123, which intends to start a program offering minimum wage work credits, for those participating in prison work programs, toward criminal justice fees and fines. The Judicial Branch is working with the Department of Justice to create additional reform proposals. This is a high priority initiative.
Continue Community Court Implementation	 1 green	The Community Court accomplishments to-date include creating the Community Resource Center in the Leonard L. Williams Justice Center, creating the Annual Resource Center Fair and Back-to-School Drive, implementing Phases I and II of the Community Court program, and implementing the Criminal Court Assessment Tool to determine Community Court mandates.
Expansion of Process Improvement Efforts	 1 green	The Judicial Branch has established a full-time position focused on continuous improvement to assist the Courts with implementing new / streamlining existing processes, e.g. Call Center operations, vendor selection and working with the GEAR Field Team. University of Delaware student teams are engaged to examine current processes and make improvement recommendations.
Partner with Universities for Expanded Research Capacity	 2 green	A long-standing program within the Judicial Branch which includes the Judicial Fellows Program and other research activities relevant to the work of the Courts and Access to Justice.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

E-Filing

The sharing of information is neither as efficient nor timely as possible since court information management is still largely paper-based. In critical areas like criminal and family law, cases continue to be filed manually.

The goal is to implement a modern and unified e-Filing solution for the Delaware Courts in all civil and criminal jurisdictions. All State partners, such as law enforcement, Probation and Parole, Department of Labor, and Youth Rehabilitative Services will have the ability to file electronically in a form that supports all relevant case management systems.

As a prerequisite to this project the existing e-Filing, Case Management and Document management systems must be stabilized to ensure the courts have the support of reliable systems over a 3-5 year span of the project. These prerequisite efforts have been accomplished and are in final testing phases now.

Progress to-date:

- A consulting vendor was selected by the Judicial Branch to identify the best e-Filing solution
- The vendor produced an Alternatives Analysis highlighting the needs of Case and Document Management in addition to e-Filing
- Vendor teams capable of meeting the unique needs of the Delaware Judicial Branch were identified
- Existing systems were refreshed and stabilized to support the 3-5-year effort -- now in the User Acceptance Testing phase
- The solicitation process began November 1, 2019, proposals from vendors were received, and finalists selected to deliver presentations for further review
- The Evaluation Committee is currently conducting virtual site visits and plans to make a recommendation to the Presiding Judges before the end of the calendar year

The benefits of e-Filing include:

- Reducing the Judicial Branch operational costs by migrating the Family Court's Civil Case Management System and the CMS Case Management System off the mainframe – thereby reducing the need for expensive programmers specializing in outdated computer languages
- Eliminating State hosting responsibilities for e-Filing and Case Management systems, which in turn reduces the direct responsibility for PCI Compliance and COOP/DR planning
- Standardizing data formats will make reporting faster and more consistent across courts
- Using the same system across courts will improve the ability to cross-train employees, enable sharing of resources, and will benefit Judicial Branch employees seeking promotion opportunities in other courts
- Greatly improving the public access and filing capabilities for the public and partners
- Eliminating the dependency on paper will reduce paper storage costs and reduce the likelihood of lost or misfiled documents
- ❖ Request: Technology funding is critical

COVID-19 Changes Include Technological Efficiencies

The Judicial Branch has continued to operate during COVID-19 by heeding advice from public health experts and putting public safety first. It was a difficult decision, but in hindsight the correct one, to close judicial facilities to the public for a limited time at the outset of the pandemic to prevent the spread of the virus. Closing the doors did not mean the courts were closed. The Judicial Branch invested heavily in new technology, which allowed it to conduct remote hearings using audio and video services. Court personnel learned to work remotely, as many Judicial Branch employees continue to do when possible. Unlike business courts in other states, the Delaware Court of Chancery continued to conduct hearings and issued important decisions in major corporate disputes, ensuring that Delaware remains the venue of choice for national and international business disputes.

Although jury trials were paused, the Superior Court, the Court of Common Pleas, and Justice of the Peace Court gave top priority to criminal justice matters. Working cooperatively with their criminal justice partners, the trial courts held bail hearings, preliminary hearings, plea hearings, and sentencings. Family Court maintained its demanding schedule, hearing and resolving cases involving domestic abuse and child welfare. The Supreme Court worked throughout the summer and fall to hear and decide cases using Zoom for oral arguments.

The Judiciary moved into a modified Phase 3 of the Court Reopening Plan in October, allowing the gradual reintroduction of jury trials and increased staffing capacities; however, the Judiciary began transitioning back to Phase 2 on November 16. This was due to the rising number of COVID-19 cases, public health guidance, and advice from the courts' infectious diseases expert. Court facilities are remaining open to the public.

While the sudden change to remote work was expensive, the Judiciary has learned a great deal from its COVID-19 experience. Some of the changes will likely translate into long-term efficiencies in our operations.

The Judicial Branch opted to use Zoom technologies for court proceedings and remote work. With limited meeting licenses, between March 16th and September 11th, there were 3,444 virtual meetings with 17,118 meeting participants representing 725,978 meeting minutes. The usage of Zoom services month to month has continued to grow.

The Judicial Branch continues to conduct bail hearings, preliminary hearings, plea hearings, and sentencings remotely, and will need to determine which types of proceeding should remain remote when possible. There are national and international conversations on the fairness of remote criminal justice proceedings. Therefore, the Chief Justice and the Presiding Judges need to assess what types of proceedings can continue by evaluating not only the efficiencies, but also by reviewing the impact of each type of remote proceeding. Annual zoom licenses, with the current 117 hosts, add approximately \$24,000 in on-going costs to the Judicial Branch budget.

By working with the Department of Correction, additional capacity was added to conduct remote hearings using Zoom at several facilities. Additionally, the Judiciary is working with the Videophone Committee to look at alternative solutions to the point to point video phones currently implemented – to identify a more flexible conference calling solution. If this process continues to be sustainable and executed at a high quality, it should prove to be a viable solution beyond the COVID-19 needs. Again, a review of the fairness and appropriateness for each type of remote proceeding will be a primary consideration.

In Fiscal Year 2019, the Department of Correction conducted 23,434 offender transports to Delaware courthouses, and in Fiscal Year 2020, that number was 6,849, the bulk of which occurred between January and March prior to the change to remote proceedings.

Other agencies who participate in court proceedings have also experienced efficiencies due to remote hearings. Agency employees offices such as the Office of Defense Services, the Office of the Attorney General, Youth Rehabilitative Services, Child Support Services, CASA Attorneys, and others, have had to travel to the courthouses with far less frequency since most proceedings are remote.

Pretrial Reform

The objective is to use best practices to determine more objectively persons at risk to reoffend or fail to appear in court with possibility of detention or release with supervision, and presumptive release for low risk persons.

House Bill 204 was signed on January 25, 2018. Implementation of House Bill 204, the risk assessment tool (“DELPAT”) and interim court rule went into effect January 1, 2019. Since then a committee has been working on revising the interim rule to create and adopt a final court rule that is easier to understand and apply. The Statistical Analysis Center has submitted their first two quarterly reports on the initial results of Pretrial Reform. The reports review the success and failure rates after at least one year since the time of the DELPAT assessment. Failure is defined as any new criminal arrest or failure to appear in court. The Statistical Analysis Center’s second quarterly report reviewed the failure rate of 8,560 cases after having at-risk time and at least one year passing since their DELPAT assessment, determining an overall failure rate of 45.5 percent. The Statistical Analysis Center is currently refining its data to break down the types of offenses that were charged at the time of the DELPAT assessment, and at the time of new criminal arrests. This information will assist in decisions to modify and finalize the interim rule.

Continue Community Court Implementation

The Community Court is a multi-court initiative with its pilot being facilitated through the Court of Common Pleas. The Community Court is a type of problem-solving court that addresses low-level crimes, public safety and quality of life issues at the neighborhood level. The focus of the Community Court is not isolated to a specific problem area like a Drug Court or Mental Health Court, but rather addresses multiple needs for a specific geographic area -- in this instance, New Castle County. Community court programs are focused on improving outcomes for the offender and reducing recidivism by addressing factors such as substance use, mental health and unemployment that are generally linked to criminal behavior. The Community Court provides accountability to offenders by ensuring they give back to their communities through various community service initiatives. To provide financial support for this project, the Administrative Office of the Courts (AOC) sought and was awarded the Community Court Implementation Grant from the Center for Court Innovation (CCI) via funds provided by the Bureau of Justice Assistance (BJA). This grant ended on August 31, 2020. Through this grant, the AOC has accomplished the following:

COMMUNITY COURT DATA FOR OCTOBER 2019 - AUGUST 2020

- Number of Cases: 250
- Community Service Mandates Only: 86
- Social Service Mandates Only: 70
- Community and Social Service Mandates: 19
- Other Mandates (No Contact, Restitution): 75
- Substance Use Treatment: 33
- Cases Closed (NP): 163
- Terminations: 3
- Total Number of Community Service Hours Completed: 984.70

- Creation of the Community Resource Center in the Leonard L. Williams Justice Center
- Creation of the Annual Resource Center Fair and Back-to-School Drive
- Implementation of Phases I and II of the Community Court
- Implementation of the Criminal Court Assessment Tool to determine Community Court mandates

Since the completion of the CCI Grant, the continued operation of the Community Court is being funded by the Fiscal Year 2018 BYRNE JAG Fund provided through the Delaware Criminal Justice Council. Long-term funding for continued operations will be needed in the future.

Reduce Debt Burden on Ex-Offenders

The American Bar Association (ABA) Standing Committee on Ethics and Professional Responsibility released guidance in May this year addressing a judge’s obligation under the ABA Model Code of Judicial Conduct to conduct what it describes as a constitutionally required inquiry into a litigant’s ability to pay court fines, fees or other financial obligations prior to

incarceration for nonpayment. To date, the courts have limited discretion when it comes to statutorily imposed fees and fines. The Judicial Branch is studying the issues of fees and fines to identify areas of improvement that can be made immediately and will work cooperatively with the Governor, and the General Assembly, to address inequities through the legislative process.

Reducing the debt burden on ex-offenders is more efficient for numerous reasons. First, the State should not expend scarce resources chasing after payments that it is unlikely to recover. Second, when a citizen has trouble making ends meet, and uses their funds to pay court fees, they may not have enough remaining funds to provide adequately for their families in other critical areas such as child support, stable housing, nutrition, etc. And finally, large amounts of debt can make a person feel hopeless, which could have a negative impact on rehabilitation efforts.








The Judicial Branch is working with the Department of Justice and others to consider reforms relating to fees and fines. Ideas that are being considered range from the elimination of certain fees, to ensuring that the fines structure is proportional to the offense, to giving authority to judges to waive fees and fines under certain conditions. The Judicial Branch believes that it can work together with its partners and make meaningful steps to a fairer system.

Prior to this year, the Judicial Branch worked with the Department of Correction and the Office of the Governor to draft and support Senate Bill 123 of the 150th General Assembly. This Act would have authorized the Department of Correction to provide minimum wage to inmates to pay off fees or fines by participating in an earned credit program established by the Department of Correction. The earned credit could be used towards paying off fees and fines, but could not be provided in any other form, such as a monetary payment, or to discharge other financial obligations owed such as restitution, child support obligations, or bail. The Judicial Branch continues to support the concept of a minimum wage work credit.

EDUCATION

Public education receives approximately one-third of the State's overall General Fund budget, \$1.6 billion. This supports the education of approximately 140,000 students that are being served in 253 schools in the State's 19 school districts and 23 charter schools. Increased enrollment in schools, especially special education enrollment, has been the primary driver of growth in educational spending in recent years. The growth in public education appropriations associated with higher enrollment crowds out the ability to fund other initiatives and programs within public education as well as for other agencies and State initiatives. With the increase in demands on the State budget, public education must continue to explore efficiencies and ways to decrease operational costs in support service areas such as facilities, purchasing, information technology, and finance. However, during the current year, COVID-19 has significantly impacted efforts to reduce costs such as transportation and food services.

Prior Recommendations Summary

Project	Status	Comments
EdGEAR	 1 yellow	Prioritized initiatives have been pursued by membership. In 2021, the group will continue to work on 3-5 high priority items.
Council on Educational Technology	 2 green	Group has identified major initiatives to pursue and has conducted a statewide educational technology needs assessment.
Data Standardization for Financial Transparency	 1 green	Statewide approach to school expenditure reporting has been established and implemented in partnership with districts/charters and Division of Accounting. The standardized use of DOE mapped codes in state and federal reports is being refined.
Identify Business Technologies for Potential Standardization	 2 green	EdGEAR will continue to pursue opportunities to standardize or otherwise improve efficiency where districts, charter schools, DOE and/or other agencies are using different technologies to achieve the same end.
Improve Procurement Processes and Procedures, Leverage Consolidated Purchasing	 1 green	EdGEAR will continue to improve procurement processes, modernize rules and procedures to accommodate technology-based buying opportunities, and better leverage consolidated procurement opportunities.
Improve Surplus Asset Acquisition and Disposal Processes	 1 green	EdGEAR will further investigate opportunities to improve surplus asset acquisition and disposal processes.
Define a more Cost-Efficient Strategy for School deferred Maintenance	 1 green	EdGEAR will articulate a better-defined, cost-efficient approach to addressing a significant backlog of school deferred maintenance.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges.

Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

EdGEAR

EdGEAR was established in 2019 as the K-12 version of GEAR. The EdGEAR Board consists of two school district superintendents, one charter head of school, four school district Chief Financial Officers (CFOs), GEAR representatives and Delaware Department of Education (DOE) staff. There have been a few recent position changes and EdGEAR will be

looking to update the membership of this group in the coming weeks. EdGEAR created a list of potential initiatives with the goal of selecting 3 to 5 to pursue.

The group prioritized the list based on potential impact and effort to implement. As in 2019, the top potential initiatives were and continue to be (1) duplicative information systems, (2) procurement, (3) surplus distribution and disposition of assets, and (4) capital projects issues. Specifically:

- The duplicative information systems project will seek to identify where districts/charters, DOE, and other State agencies are doing the same thing technologically using different systems. EdGEAR members will look for opportunities to standardize or otherwise improve efficiency.
- Procurement focus areas will include general process improvements; adjusting rules and procedures to accommodate modern technology-based buying opportunities; improving communication within K-12 to better leverage consolidated procurement opportunities; and maximize input into statewide buying decisions.
- Districts and charter schools will seek to improve surplus acquisition processes, e.g. vehicle acquisition, and disposal processes for assets no longer needed by schools -- assets which may have utility value in other operating contexts.
- Capital projects management provides numerous opportunities for improvement including, most prominently, designing an optimally cost-efficient approach to addressing a significant backlog of deferred maintenance.

Council on Educational Technology

The Council on Educational Technology was formally established by Senate Bill 235 of the 149th General Assembly (Fiscal Year 2019 Appropriations Act). Establishment of the council was a recommendation that came from Senate Concurrent Resolution 22 of the 148th General Assembly's Task Force on State Educational Technology to provide strategic guidance for educational technology for the State, districts, and charters.

The Council on Educational Technology will provide strategic guidance on several critical educational technology topics. Activities within the council's initial scope include conducting needs assessments; offering policy and budget recommendations; strategic planning to ensure alignment between state and local efforts; supporting technology-related procurement; and defining acceptable use policies, procedures and processes.

The preliminary list of important topics to be explored included proxy/content filtering, eRate maximization, Wi-Fi standardization, telephony, bandwidth, server consolidation, and technology staffing. Currently, the council is focused on the continuation of the work on content/proxy filtering, switch replacement, and the statewide educational technology needs assessment, and has added a focus on common online enrollment. The Department of Education, in partnership with the Department of Technology and Information (DTI) and districts/charters, is working through the procurement process for the Content Filtering and Student Safety solution.

Data Standardization for Financial Transparency

In August 2018, Governor Carney signed Senate Bill 172 of the 149th General Assembly, which included and further enhanced the federal school-level financial reporting requirements of Every Student Succeeds Act (ESSA). The intent was to increase transparency of public education expenditures by creating a statewide approach to reporting. Prior to 2020, Delaware had not reported education expenditures at the school level in a transparent and comparable manner due to several challenges, two of the most significant being the limited set of fiscal account codes available and differences in usage of existing codes across districts and charter schools. Furthermore, the Department of Education has existing federal data reporting requirements (F-33, NPEFS, IDEA MOE/Excess Costs) outside of ESSA that require large amounts of data transformation and calculation. Consequently, that reporting effort warranted streamlining; what was needed was a better, more consistently used fiscal coding structure that would result in both more accurate data and savings in staff time.

During 2019, with the cooperation of districts, charter schools, and the Division of Accounting, DOE established and implemented a required set of common expenditure account codes in First State Financials (FSF) that are mapped to federal reporting categories. The department posted the common codes along with other code sets such as appropriations and school codes on the Financial Transparency web page within the DOE website. Appropriations Act Epilogue language requiring the use of standard codes in FSF and PHRST was updated in Fiscal Year 2020. Districts and charter schools began using the standard expenditure codes in July 2019, an effort that has had statewide impact since the Division of Accounting took

advantage of the opportunity to integrate the education standardization effort with needs from other agencies. The standardization process continued in 2019-2020 with work on revenue codes being completed for implementation in July 2020 (Fiscal Year 2021).














The Department of Education has continued to collaborate with the Division of Accounting, FSF, and DTI to explore the further expansion of the information provided on educational financial transactions available via the Open Data Portal and the State Checkbook. In the past the public could only get data to the district level via the open checkbook; now, it can also access such information at the school level and by specific appropriation code. This achievement has dramatically enhanced the transparency of school expenditures. In essence, by redesigning how data transforms from raw transaction data to standard reports that will be provided via the DOE school report cards as well as federal reporting, school expenditures will be more comparable not only between and among districts and schools but also, in the case of federal reporting, between Delaware and other states.

Moving Forward

Moving into 2021, DOE will look to refocus on the public education projects as planned prior to COVID-19. The EdGEAR and Council on Educational Technology participants will continue to tackle the priorities identified by members. As has been illustrated in past years, each group has the strong potential to improve efficiency and processes, especially considering that stakeholders with the credibility and authority to foster change are directly involved in both. Although substantial progress is evident, the standardization efforts across the 253 schools in the State's 19 districts and 23 charter schools merit further refinement.

FINANCIAL SERVICES DELIVERY

Prior Recommendations Summary

Project		Status	Comment
Banking Architecture Redesign/Digital Government	 1 green		Banking contracts and systems being deployed, OST now working with DTI and DOS-GIC on digital government with issuing of RFP
Eliminate Duplicative Internal Financial Service Functions	 2 gray tabled		Resources allocated to effective internal controls project.
Ensure Effective Internal Control Systems are Developed and Maintained	 2 yellow		Auditor of Accounts prioritizing engagements based on need and using data analytics to provide best audit reports and services.
Improve Data Integration and Mapping	 1 green		Delaware Geographic Data Committee working with University of Delaware to determine path forward (University's report delayed).
Require all State Agencies to use Delaware Population Consortium Projections	 1 green completed		Project completed. Delaware Population Consortium (DPC) in operation per signed legislation.
Establish Centralized Land Inventory Database	 1 green		University of Delaware report completed, OSPC working to form core team and prepare IT business case for DTI consideration.
Create a Financial Services Roundtable	 1 green		Roundtable of senior financial services officers formed and working on new continuous improvement projects.
Ensure Effective Internal Control Systems are Developed and Maintained: Travel per Diem	 1 green		DOF Financial Advisory Committee has implemented key policy changes. DOF reaching out to travel management vendors.
Ensure Effective Internal Control Systems are Developed and Maintained: PCard	 1 green		PCard spend and rebates down due to COVID-19 emergency. Successfully recruited 150 Single Use Account vendors.
Reduction of Onerous Processes: After-the-Fact Purchase Orders	 1 green		Changes to after-the-fact waiver request application approval process being proposed to reduce workload burden on approvers.
Implement Department of Finance Integrated Revenue Admin System (IRAS)	 1 green		First phase of implementation, Release 1 business-related taxes, to be operational November 2020.
Accelerate OMB (DFM & GSS) Contractual Real Estate Support to Address Office Space Leases	 1 green		OMB/DFM lease restructurings have resulted in more than \$27.9 million in hard dollar rent savings and more than \$5.6 million in soft dollar rent savings (paint, carpeting, etc.) over the life of the renegotiated and extended leases..
Reintroduce Strategic Planning and Performance Budgeting Processes	 2 yellow		Revised Delaware Governmental Accountability Act (HB 133), though passed the House, was not voted on by the Senate. To be reintroduced.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges.

Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

Lower Lease Costs and Restructure Lease Program

The Office of Management and Budget/Division of Facilities Management (OMB/DFM) Real Property Management Program consists of 118 leases, covering approximately 1.7 million square feet of rented space occupied by various State of Delaware agencies, at a current year annualized cost of \$31.3 million. Based on the magnitude of this cost component in the State's collective operating budget across agencies, this GEAR project began as an initiative to minimize lease costs. Historically, real estate-related tasks were decentralized across numerous state agencies. This led to duplication of effort and expenditure, failure to leverage collective locations, common property ownership and arms-length knowledge of the state of the local real estate market and its related peripheral indications such as borrowing rates, economic development interest and general business conditions.

After the execution of a professional services procurement process, a two-year contractual partnership was formed with the team of Diamond State Management and Delaware Financial Group. Efforts began in the Fall of 2018 with the largest leasing agencies being the first impetus to begin a strategic approach. The target was further defined as the 78 leases that would expire in the ongoing five-year period. Over time, the confines of this target group of leases has been broadened due to market awareness and simple economic opportunity. Since the program began in 2018, 31 leases have been renewed. As a result of the progress made during the initial two-year contract with Diamond State Management and Delaware Financial Group, the contract was renewed for an additional year.

This GEAR project continues to achieve the targeted goal while at the same time evolves further towards updating the lease document framework. This includes concessions such as environmental hygiene provisions that protect the State employee workforce, electric vehicle (EV) charging station installation on the leased premises, and owner– implemented cosmetic updates such as signage, paint, carpet, and restroom upgrades. These updates occur at the time of lease renewal and again every five to seven years. The State has also explored new lease locations and build-to-suit opportunities where savings, as well as preferable and stable lease conditions, can be secured.

To date, 31 leases have been affected either by renegotiation/extension of the lease term or relocation of the State's workforce to a facility with better, more economical lease conditions and/or a newly constructed facility completed as a build-to-suit arrangement. Under build-to-suit terms, one new building is being constructed where financially, the transition to the new building with replicated conditions is expected to pay for itself out of lease savings. Thus far, the project has resulted in more than \$27.9 million in hard dollar rent savings and more than \$5.6 million in soft dollar rent savings over the life of the renegotiated and extended leases. Soft dollar savings include paint, carpet, parking lot restriping, bathroom/kitchen updates and other leasehold improvements. On average, reconstructed leases have been extended 14 years with approximate hard dollar rent savings of \$2.1 million and soft dollar savings of \$466,000 per lease.

Based on current market conditions, there have been no material changes to the process of leasing space for Delaware's state agencies. As COVID-19 continues to evolve, there may be opportunities to take advantage of spaces that have been vacated or downsized because of State employees telecommuting to work. Going forward, lease renegotiation will continue with the contractor's assistance through the end of the current contract term. The agreement includes an additional one-year renewal option.

Reintroduce Strategic Planning and Performance Budgeting Processes

Per Executive Order #4 GEAR was tasked with recommending changes to the Delaware Governmental Accountability Act that will better drive strategic planning, help develop meaningful performance metrics, foster more effective monitoring of performance and allocation of scarce resources as part of the budget process, and promote continuous improvement programs throughout State government.

The proposed rewrite of the act shifts the focus from the budget books to the budget process. The new language specifies that the State's annual budget process should be part of a performance management system, dedicated to incentivizing continuous process improvement and making government more efficient. This performance management system (not a new IT application) is composed of 1) strategic planning, 2) performance measurement/evaluation and 3) performance budgeting. The Governor and the Legislature (Joint Finance Committee (JFC)) would be directed to use performance metrics when evaluating programs and program enhancements during the annual budget process. Full implementation of the revised act would have come with the Fiscal Year 2023 budget process (starting Fall of Calendar Year 2021)—agencies would present budget requests for Fiscal Year 2023 that incorporate performance metrics to supporting reallocation of resources to more productive programs/projects or supporting requests for additional resources for existing or new programs/projects.

In the Spring of 2019, a revised Delaware Governmental Accountability Act bill was sponsored by co-chairs of JFC and other legislators and introduced as House Bill 133. It passed the House unanimously, was reported out of the Senate Elections, Government and Community Affairs Committee and placed on a Senate agenda for consideration on June 30, 2019. Due to other considerations on the Senate floor, House Bill 133 was not brought up for a vote. The bill remained available for consideration by the Senate in its upcoming second session. Unfortunately, due to COVID-19 and the associated lockdown restrictions, House Bill 133 was again not brought up for a vote in the Senate in 2020. The bill has expired and will need to be reintroduced if it is to be considered in the 151st General Assembly.

Improve Data Integration and Mapping

The use of multiple data sources for State decision making leads to duplication of efforts, conflicting and competing analyses, and higher costs for both analyses and decisions made. The Office of State Planning and Coordination (OSPC) seeks to work through Governor Carney's GEAR initiative to improve data integration and mapping through the following recommendations:

School District Enrollment Projections

School district enrollment has a significant impact on the State operating and capital budgets. Centrally updated enrollment projections done on a regular basis can be used to improve long-range planning and the allocation resources in both operating and capital budgets within individual school districts and across multiple districts. Statewide enrollment projections have been produced twice in the recent past, once in 2007 and again in 2014. These efforts were useful at those points in time, but they have not been updated to reflect changing demographic conditions. This project would develop a schedule and prepare regular updates to statewide school district enrollment projections and use these updates to improve long-range planning and resource allocations, e.g. determine needs for new schools and evaluate school district capital master plans. Additionally, the updates will be beneficial for other entities that interact with children in the allocation of their resources.

Options for producing these projections will be explored in the coming year, including discussions with the Delaware Population Consortium (DPC). As discussed in last year's report, the DPC has recently been formalized and reconstituted because of the passage of Senate Bill 7, which was signed by the Governor on May 14, 2019.

Leverage FirstMap for Data Sharing

FirstMap is the State's enterprise Geographic Information System (GIS), but it is not used by all State agencies who often purchase their own data. An overall geospatial management structure for the needs of all State agencies should be established. Leveraging FirstMap and its structure and data will provide essential information for all agencies to use for long-range planning for school sites, demographic trends, transportation, state service centers, natural resources, and other topics. The goal of this project is to provide the mechanism for all State agencies to use a single, authoritative source of geospatial data specifically purchased for statewide use.

The University of Delaware's Institute for Public Administration (UD/IPA) was contracted by DelDOT to perform an independent survey looking at current practices, the efficacy of these practices, and ways to improve management and coordination of all geospatial data and mapping efforts. The project was started in August 2019. COVID-19 related delays extended this project and a final report is expected in December 2020.

The findings of the UD/IPA study should be supported. At this point the findings are unknown, but they may suggest additional or reallocation of resources -- human and financial -- to support the coordination/management efforts, as well as perhaps recommend an executive order mandating the coordination of all agencies. A phased approach for coordination and management may also be an outcome of the study.

Establish a State Land Inventory

It is critical for Delaware state government to have a full and complete understanding of the real property it owns and utilizes. The reasons are obvious, including ensuring proper maintenance, insurance coverage, emergency planning procedures, environmental compliance, and safety considerations, among others. The Office of State Planning Coordination contracted UD/IPA to assess current agency practices for collecting, maintaining, and sharing information on state lands and facilities. This report was completed in September 2019 and is available on OSPC's website

(<http://www.stateplanning.delaware.gov/publications/index.shtml>). The report is considered Phase 1 of the initiative to establish the State Land Inventory.

This assessment consisted of researching State data sharing practices, benefits, and barriers; administering a screening questionnaire to gather background information on State agency data collection processes and procedures; and interviewing State agency representatives to detail questionnaire responses and discuss the potential benefits and barriers to implementing a statewide facility and land inventory. Land and facility information covered in this study includes buildings, land, lease information, rights-of-way, and preservation easements.

The next step will be to form a core team of cross-agency stakeholders to develop and advance an IT business case. The focus of this team will be on agency agreement on data content and necessary sharing agreements; reviewing examples of relevant initiatives from other states to identify desirable characteristics; and assessing initial cost and ongoing training and maintenance parameters. Once all the parameters are identified then OSPC will take the lead on championing the business case through DTI and ensuring the development of the database and associated interfaces to meet the requirements set up by the core team.

Support should be given to this effort through the encouragement of agency representation and collaboration. It is possible there will need to be an executive order or Memorandum of Understanding to enforce collaboration among all involved agencies, so a more efficient and unified tracking of real property occurs within a single centralized database. Finally, the development of the centralized database will need to be funded.

COVID-19 Related Initiatives

The Office of State Planning Coordination migrated the monthly PLUS (Preliminary Land Use Services) review meetings to a virtual format during the COVID-19 pandemic. The PLUS meeting provides interaction between regulating agencies and land developers/applicants/local governments to discuss proposed developments or comprehensive plans. These meetings are considered Open Meetings under Del Code 29, Chapter 100 § 10004. This virtual format has enabled developers/applicants to save travel time and more efficiently manage their time. Generally, developers/applicants do not attend the full meeting, just attend for their agenda item. This could mean they travel upwards of an hour for a 15-30-minute audience with the reviewing agencies. The Office of State Planning Coordination recommends that this virtual format, or a hybrid allowing developers/applicants to choose their preferred attendance format, continue after the COVID-19 restrictions are lifted. It is unclear if this would be an operational change or require some change to the legislation for Open Meetings.

Make State Financial Processes, Controls and Systems More Efficient

Improve the State's Banking Structure

Under the authority of the Cash Management Policy Board (Board), the Office of the State Treasurer (OST) is responsible for providing these banking services by procuring statewide contracts with banking services providers that can meet a wide range of collection and disbursement needs across the agencies.

In early 2017, OST, on behalf of the Board, engaged PFM Asset Management LLC (PFM) to conduct a comprehensive study of the State's banking architecture. Upon completing their study in 2018, PFM concluded that the State may be able to conduct its banking business in a more efficient and effective manner, realizing significant cost savings by restructuring its existing contracts.

The Board adopted PFM's recommendations to amend the current banking architecture and approved the issuance of a comprehensive banking Request for Proposals (RFP), including five unique banking components – general banking (electronic collection and disbursement), lockbox services, purchasing card, stored value card, and check printing. The Board also adopted PFM's recommendation to issue a separate local banking RFP, for those agencies requiring physical deposit services.

The general banking RFP was issued in June of 2018, and in November 2018, the Board approved the Evaluation Committee's decision to grant the award for stored value card services to US Bank and the award for all other banking services to JPMorgan Chase. As of August 2019, all contracts related to the comprehensive banking RFP were executed.

In early 2020, the Department of Labor and Division of Child Support Services transitioned to U.S. Bank. It is currently estimated that the remaining banking providers shall be fully transitioned to JPMorgan Chase and US Bank by summer 2021.

The local bank RFP was issued in March of 2019, and in August 2019, the Board approved the decision to award primary over-the-counter collections to M&T Bank, and additional collections for agency bank accounts to Citizens, WSFS, and TD Bank. M&T Bank's contract was completed in September 2020 with the remaining contract negotiations to be finalized by January 2021.

Once fully implemented, the new banking architecture will result in significant benefits for OST, agencies, and citizens. Several of the identified benefits of this new system include:

- simplified reconciliation processes,
- streamlined file transmissions, and
- reduced risk with updated banking products, systems, and reports.

By consolidating service providers and leveraging economies of scale, OST is projecting to realize significant contract cost savings of approximately \$650,000 per year once fully transitioned – not including an additional \$233,000 estimated increase to the State's annual purchasing card (PCard) rebate. Finally, the new service providers are expected to provide best-in-class customer service, including additional user training and educational opportunities.

The Evolution of Digital Government

With the new general banking contracts and systems being deployed in 2020/2021, OST has shifted its focus to digital government services in partnership with the Department of Technology and Information (DTI) and the Department of State's Government Information Center (GIC). While historically online payment (merchant) services were decentralized, OST launched a strategic endeavor to consolidate the payment infrastructure and security components for credit, debit, and ACH transactions occurring between the State of Delaware's customers and state agencies.

The components of merchant services include payment gateway products (software and hardware), payment processing components (banking transactions), reconciliation systems (software and accounting processes), payment card industry data security standards (business practices and certifications), and the online interface in which customers transact with the State of Delaware. Commensurate with the wholistic approach taken with general banking, OST, DTI and GIC launched a comprehensive RFP in October 2020 to leverage economies of scale and an improved experience for customers who transact with the State. The RFP is set to conclude in spring 2021 with contracts being awarded and new product offerings being deployed in late 2021.

Several of the measurable outcomes in this new endeavor include streamlined and secure point to point payment processing, reduced manual transactions with an increase in self-service payments, and automated reconciliation.

Given the nature of conducting successive resource-intensive, statewide projects, OST continues to adapt its internal resources without an additional budgetary request for Fiscal Year 2022. As the digital government project unfolds, OST will continue to communicate directly with the Office of Management and Budget, DTI, and the Office of the Governor to determine if additional resources are necessary in future years. It shall continue to ensure all State agencies, customers and members of the public receive the appropriate level of operational support, while seamlessly transitioning these banking and digital government services to new providers.

Leverage Financial Service Delivery (FSD) GEAR Team to Drive Financial Process Improvements

Historically, there has been no formal entity charged with identifying issues and risks affecting the State's financial management functions. Such responsibility falls to individual agencies and the State's key financial officers, often acting in their individual capacities. As a result, responses and solutions often prove to be burdensome, fragmented, or ineffective.

GEAR's FSD Team offers an opportunity for the State's senior financial officers to identify, prioritize and implement continuous improvement initiatives to address State financial issues and risks. The team includes the Secretary of Finance, Director of OMB, Controller General, State Treasurer, Auditor of Accounts, the Deputy State Court Administrator for Fiscal Policy and a representative from school district business managers. The team is supported by key directors and staff from

these agencies. The FSD Team met quarterly in 2020; these meetings provided a regular venue to discuss issues with the State's financial management functions: develop processes and internal controls to proactively prevent waste, fraud and abuse, eliminate duplicative internal financial service functions and realize process efficiencies and cost savings.

Supporting the FSD Team is the Financial Advisory Committee (FAC) which is comprised of financial officials from key state agencies including DOF, OMB, DOE, DHSS, DNREC, DelDOT, DOC, DOS and local school districts. The FAC meets regularly under the auspices of the Department of Finance's Division of Accounting (DOA). The FAC has been working on three major priorities – 1) eliminating onerous paper processing requirements that create significant additional work with limited or no benefits; 2) simplifying purchasing and travel processes and reducing related overhead, and 3) improving training of FSF end users. The FAC currently meets quarterly and its subcommittees focused on the above priorities meet at least bimonthly.

FSD Onerous Processes—After-the-Fact Purchase Order Approval Process

Per the Budget and Accounting Policy Manual, State organizations are responsible for preparing financial transactions and their associated documents in a timely manner, in proper sequence and in accordance with established procedures. Purchase orders are required for purchases exceeding \$5,000 (individually or in aggregate). The State will not be liable for any goods or services provided by a vendor prior to the receipt of an approved purchase order. When a purchase order is established or approved after the delivery of goods or services, an after-the-fact situation is said to exist. State organizations finding themselves in this situation must apply for (and receive approval for) an after-the-fact waiver in order to get the purchase order approved and the vendor paid.

In Fiscal Year 2020, there were 104 after-the-fact waiver requests applied for and approved. These waiver request applications came from 32 State organizations and the value of the purchase orders ranged from \$1,400 to \$2.9 million. By dollar amount, two purchase orders were less than \$5,000 and 22 were between \$5,000 and \$10,000. Of those over \$10,000, 65 were below \$100,000, 10 were between \$100,000 and \$500,000, one was between \$500,000 and \$1,000,000 and four were over \$1,000,000. By organization, 26 State organizations had fewer than four waiver requests, four State organizations had five to nine waiver requests and two State organizations had more than ten waiver requests (eleven and 21 waiver requests). To process and approve after-the-fact waiver request applications it takes a minimum of seven persons: two at the State organization level (business manager and cabinet level leader), three at the Office of Management and Budget (Director of Management Efficiency, Executive Secretary and the Director of the Office of Management and Budget) and two at the Department of Finance (Executive Assistant and Secretary of Finance). Three of the seven persons (42 percent) reviewing and approving these waiver request applications are cabinet secretaries (or cabinet secretary level).

The Financial Advisory Committee subcommittee for onerous paper processing requirements is assessing a few changes that could be implemented to streamline the after-the-fact waiver request application approval process. Changes to the purchase order threshold and exceptions to the purchase order requirement are being proposed. Increasing the purchase order threshold from \$5,000 to \$10,000 should see an estimated 25 percent reduction in purchase order volume. Based on the statistics from Fiscal Year 2020, 24 after-the-fact waiver request applications would not have been necessary, a decrease of 23 percent ($24/104 = .23$). Also, under consideration is permitting cabinet-level leaders of State organizations to internally approve after-the-fact waiver requests below a certain dollar threshold or number of waiver requests made in a given fiscal year. For example, if State organization officers could approve waiver requests below \$50,000, this would enable the Director of the Office of Management and the Secretary of Finance to focus on the 25 waiver requests that were valued at over \$50,000, a workload reduction of nearly 70 percent ($80 \text{ waiver requests over } \$10,000, \text{ of these } 55 \text{ were between } \$10,000 \text{ and } \$50,000 \text{ and } 25 \text{ are over } \$50,000, 80 - 25 = 55, 55/80 = .69$). Total potential workload reductions for OMB and DOF cabinet secretaries and staffs could be just over three quarters of the current workload ($104 - 24 - 55 = 25, 25/104 = .24$).

Procurement Card (PCARD) Program

During calendar year 2019, the PCard Program experienced significant growth in both spend and the rebate. While the traditional card spending decreased nearly 5 percent, the rebate increased over 5 percent as a result of the increased rebate percentages from the joint banking/PCard RFP. The Single Use Account (SUA) spending increased 25 percent with the rebate increasing 34 percent. The combined total spend was \$168.4 million with a rebate of \$3.3 million, increases from 2018 spend of \$152.9 million and rebate of \$2.8 million. Calendar year 2020 to date has experienced declines in spending for both the traditional and SUA programs as a result of the pandemic – State travel ceased in March and other spending for

services and supplies paid through the card programs has declined. Current projections anticipate combined spend for 2020 to reach \$151.6 million and expect the rebate to reach \$3.0 million.

In early March, the PCard team and JPMC kicked off an SUA recruitment program. The initial phases of the program went well however, with the onset of the pandemic, responses from vendors significantly declined. DOA ended the recruitment program in June, enrolling approximately 150 State vendors during the campaign.

Travel per Diem

Total travel spend in Fiscal Year 2020 was \$5.2 million with \$4.1 million spent for commercial travel and lodging, a decrease of \$1.5 million and \$1.2 million, respectively from Fiscal Year 2019 due to the onset of the pandemic shutting down travel for the last quarter of the fiscal year. The ubiquitous use of video-conferencing technology for intra-state, interstate and international communication throughout the pandemic provided a case study in how the State can significantly reduce travel spending without sacrificing quality of communications, training or business processes while actually improving employee satisfaction and efficiency. While some travel activities may return to normal after the pandemic ends, the State might also anticipate new delivery models for state services and meetings as well as conferences and training that take advantage of technology and allow for ongoing reductions in travel. The Governor and General Assembly should reauthorize Senate Bill 243 to permit continued use of virtual public meetings beyond the current sunset of June 30, 2021. The DOF/DOA FAC Travel Subcommittee has not been able to come to terms with the initial travel management company selected for the booking of conveyance and lodging. This committee will seek to engage another travel management company during 2021 but travel is expected to remain at a below normal levels over the next six to nine months.

COVID-19 - Related Initiatives: Training

The Financial Advisory Committee at its February 2020 meeting established a training subcommittee. Prior to the first meeting of the subcommittee, because of the pandemic, the State transitioned the non-essential workforce from onsite to remote. The Division of Accounting conducts training for users of the State's financial management accounting system, First State Financials (FSF). This training has been traditionally held in training rooms at DOA's facility for up to 16 students per session with hands on training in the State's training database. With the closure of many of the State's facilities, the DOA training team worked quickly to establish remote training to ensure users of FSF still had access to this training. Together with DTI, the DOA team was able to transition all the classes from onsite to remote in approximately two weeks. This included DTI changes to allow remote access to the training database. While the remote classes have less students per class than the onsite classes had, the FSF training team has increased the number of users receiving training in this six-month period over the prior six-month period. Feedback has been extremely positive from the attendees as well as from the agencies as attendees are able to reduce their time committed to training without the need to travel to the Dover offices of DOA. Over the next three to six months, classes will continue to be conducted 100 percent remotely. Post pandemic, the FSF training team in conjunction with DOA management and the FAC training subcommittee will determine the appropriate mix of remote and onsite training.

COVID-19 - Related Initiatives: FSF Additional Hours

With the need of many State employees to work more flexible hours, DOA from April through June expanded the system hours to include full days on Sundays. Since there were few users who took advantage of the extended hours and summer usage normally declines, Sunday hours were discontinued during July and August. However, with the start of the school year with most schools resuming virtual learning, employees are again requiring flexible work hours. In early September, system hours were expanded providing one additional hour per day and again opening for a full day on Sunday. During the first month of expanded fall hours, there has been minimal additional users logged on during the additional late hour each day, but Sundays have had an average of 25 users per Sunday. The Division of Accounting will continue to monitor the usage during the expanded hours to determine continuance of these hours. The expanded hours do not result in significant additional work time for DOA or DTI employees unless system problems occur that require technical resolution.

Ensure Effective Internal Control Systems Are Developed and Maintained

The Delaware State Auditor works to ensure that Delaware taxpayers get a fair deal from their state government by conducting financial, performance, and special audits, as well as examinations, inspections, and investigations.

During Fiscal Year 2020, Office of the Auditor of Accounts (OAOA) developed and implemented the first-ever risk assessment survey, which prioritized engagements based on need. Additionally, the OAOA has also been transitioning to data analytics to provide the best audit reports and services to enhance the mission of this office. Moving ahead into Fiscal Year 2021, OAOA looks to continue providing top-notch services while ensuring accountability during the COVID-19 emergency.

GEAR Financial Services Delivery Team and OAOA are strengthening their partnership to improve accountability and efficiency through transparency in financial operations. As an independently elected office, OAOA is expressly designed to house the expertise required to examine and analyze State expenditures and programs. The State Auditor is able to assist effective internal control recommendations and provide this service to agencies that would like to partner with our office.

The Office of the Auditor of Accounts is requesting resources in its Fiscal Year 2022 budget request that are to be dedicated to a seamless transition to this model which will ultimately enhance and support GEAR's processes and mission.

Implement an Integrated Revenue Administration System (IRAS)

The Delaware Department of Finance, Division of Revenue (DOR) is responsible for collecting more than \$2.2 billion in annual state taxes, processing \$300 million of tax refunds, ensuring compliance with the State's tax laws and providing assistance to taxpayers. The Division of Revenue's current technology is over 25 years old, is mainframe based, and consists of over 100 client server applications. IRAS implementation will fully modernize DOR's process systems to create a web-based, real-time, and integrated user experience that automates processing capabilities, optimizes the efficiency and effectiveness of DOR staff, and strengthens security and internal controls. IRAS will improve DOR's ability to mitigate fraud and will increase revenue with new audit programs and better technology to assist with the collection of delinquent taxes. The project will also create numerous opportunities for improved efficiency and taxpayer service through collaboration with other state and local agencies. For example, DOR and the Department of Labor will discuss how the system could be leveraged to help modernize the State's Unemployment Insurance tax collection system. The Division of Revenue will also offer a module allowing hotels and motels to pay both their state and any authorized local lodging taxes through a single filing system. Additionally, IRAS will provide a higher level of system recovery via the Microsoft Azure Government Cloud.

In addition to modernizing DOR's processing systems, IRAS will dramatically improve the user experience for taxpayers through consolidation and redesign of all tax forms and development of a modern public facing portal providing taxpayers access to online filings, account information, service requests and the ability to delegate access to tax preparers.

Prior to the start of the project in Summer 2019, the IRAS initiative yielded several benefits that can be leveraged across other Delaware agencies. A procurement and project readiness methodology, focusing on large state government IT project implementations was created in collaboration with the Department of Technology and Information (DTI) and OMB's Government Support Services (GSS). As part of this methodology, a consistent and repeatable process was documented and used. The process included an initial discovery step reaching out to more than 30 States to better understand their experiences and lessons learned on similar projects working with vendors that provide revenue administration products and services. Leveraging input from states that had successful implementations, an RFP with more than 1,500 requirements was created. During onsite sessions, bidders were required to demonstrate more than 70 real-life scenarios.

Governor Carney and the General Assembly approved funding for the project in the Fiscal Year 2020 budget and a contract was awarded in July 2019. To gain fast traction at project initiation, almost a dozen project readiness activities were undertaken to develop a thorough binder of information on DOR systems, processes, and tax laws that was provided to the selected vendor prior to arrival on site. On site activities began in late July and included development of a project management office and a project structure.











The IRAS project will be unveiled in three releases as follows:

- Release 1 (Fall 2020) – business related taxes such as licensing fees, gross receipts taxes, commodities taxes such as alcohol and cigarettes, and so-called “Trust Fund Taxes” which are taxes due to the state that are collected through third-parties such as personal income tax withholding, realty transfer taxes, lodging taxes and public utility taxes.
- Release 2 (Fall 2021) – personal income taxes.
- Release 3 (Fall 2022) – corporate income taxes as well as partnership, S corporation, and fiduciary income tax returns.

Release 1 will be going live for tax processing the week of November 23, 2020 with the tax types outlined above. The public-facing portal will be going live for taxpayer registration in December 2020 and will be available for tax filings in January 2021.

HEALTH & SOCIAL SERVICES

Prior Recommendations Summary

Project	Status	Comment
Contain Lease Costs	 2 green	Successfully reduced cost and improved workspace through lease negotiation
Complete Energy Savings program	 1 green	Phase 1 completed. Phase 2 underway
Leverage Federal Funding	 1 green	Created and continuously updating cost allocation plan
Implement Electronic Signature	 1 green	Completed
Consolidation of State-Run Long-Term Care Facilities	 1 green	Completed
Deploy Automated Procurement System	 2 yellow	Completed
Continue Review of Overtime Reduction	 2 yellow	On hold due to COVID-19
Optimize Mailing and Postage	 2 yellow	Selected one-time investments needed to make communications available electronically
Pilot Electronic Management of Boards and Commissions through software initiative	 3 gray	Project discontinued based on stakeholder feedback
Pursue Increasing Fees	 2 red	Recognized initial increases in Fiscal Year 2020

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. **Yellow:** project experiencing manageable challenges.

Red: project experiencing significant issues. **Gray:** project withdrawn.

Overview of Current Initiatives

As one of the largest agencies in Delaware state government, the Department of Health and Social Services (DHSS) has a profound and personal impact on the hundreds of thousands of individuals it serves every day. The Department of Health and Social Services always works towards being a self-correcting organization, retooling to keep pace with changing client needs and a changing service delivery environment. Today, the State sees just how critical that work has become. The health care, humanitarian, emotional and fiscal crisis created by COVID-19 is requiring that the department enhance and integrate services, data and communications across the department.

Establish Healthcare Spending and Quality Benchmarks

Delaware historically has had a high rate of per-capita health care spending. Health care spending accounts for more than 30 percent of the State's budget. The rate of growth of spending is twice the State's revenue growth resulting in the crowding out of needed investments in schools, communities and infrastructure. In 2017, House Joint Resolution 7 authorized DHSS to establish a health care spending benchmark linked to growth in the overall economy.

On November 20, 2018, Governor Carney signed Executive Order (EO) 25, making Delaware the first state to have both spending and quality benchmarks. The adoption of the spending and quality benchmarks laid out a vision for improving the

transparency and public awareness of health care spending and quality in Delaware. The spending benchmark is set on a calendar-year basis by the Delaware Economic and Financial Advisory Council (DEFAC) Health Care Spending Benchmark Subcommittee. DEFAC set the benchmark at 3.5 percent for calendar year 2020, with the rate transitioning to 3.0 percent for calendar years 2022 and 2023.

Delaware is the second state in the country to establish a health care spending benchmark and the first to establish health care quality benchmarks. The Executive Order also established quality benchmarks for calendar years 2019 through 2021 for the Delaware Health Care Commission to follow in the categories of: Emergency Department Utilization Rate, Opioid-Related Overdose Deaths, Use of Opioids at High Dosage, Adult Obesity, Adult Tobacco Use, High School Students Who Were Physically Active, Statin Therapy for Patients with Cardiovascular Disease, and Persistence of Beta-Blocker Treatment After a Heart Attack.

Details about the methodology for establishing the benchmarks and reporting performance against them can be found in the Delaware Health Care Spending and Quality Benchmarks Implementation Manual (<https://dhss.delaware.gov/dhss/files/benchmarkmanual06252020.pdf>).

The Delaware Health Care Commission (DHCC) released preliminary data on health care spending in the State in calendar year 2018. This data provided a preliminary basis for calculating the State's health care spending performance and served as a baseline for 2019 spending growth calculations. The preliminary report was released in June 2020 (https://dhss.delaware.gov/dhss/dhcc/files/benchmarkbrfdoc_06042020.pdf).

Data collection and analysis for calendar year 2019 is scheduled to be completed before the end of the year 2020. The State plans to release its 2019 health care spending performance relative to the quality and spending benchmarks and will be available in the 1st quarter of 2021.

<https://news.delaware.gov/2018/11/20/executive-order-health-care-spending-quality-benchmarks/>

Develop Department-wide Strategic Planning

After 14 months of analysis, employees and stakeholder online surveys, internal and external focus group interviews, and a focus on strengths and weaknesses of current operations by a strategic planning steering committee, DHSS released a draft strategic plan to achieve a goal of focusing on person-centered planning and social determinants of health to better integrate and connect the health of the Delaware residents it serves with other behavioral, environmental, social and policy influences. The strategic planning builds on the work of Governor John Carney's administration to focus on efficiency and accountability through the Governor's Governmental Efficiency and Accountability Review (GEAR) Board.

The draft plan can be found on the DHSS website.

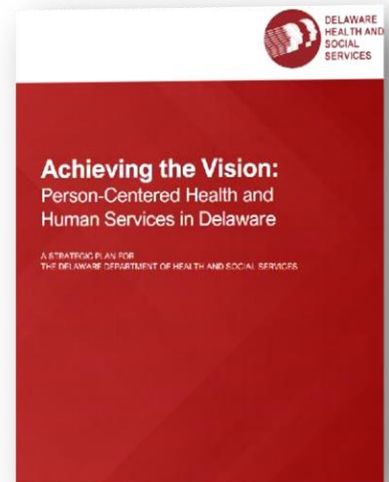
https://dhss.delaware.gov/dhss/files/strategicplan_final071620.pdf

Reviewing and Updating Provider Rate Methodologies

During State Fiscal Year 2020, DHSS worked with a consultant to review existing rate methodologies for all services provided by the department. The study provided information about current rate setting methodologies, services provided, funding available, and made recommendations for DHSS to modernize its current structures. The study can be found at on the DHSS website

<https://dhss.delaware.gov/dhss/files/independentstudy.pdf>

During the current fiscal year, DHSS is working with the same consulting firm to develop a roadmap to identify when – i.e. the periodicity -- and resources needed to routinely review and update provider methodologies. This information is intended to make a more transparent rate setting process and to allow state decision makers to make more informed decisions when budgets allow for increases.



While the holistic work is going on, the Division of Social Services is working to include cost of care elements into their triennial market rate study; this information will be used to make more informed decisions about the true cost of quality care. In addition, the Divisions of Medicaid & Medical Assistance and Substance Abuse & Mental Health are working on reviewing and updating rates for substance use disorder services. These will be two of the first products related to reviewing rates and methodologies since the rate methodology study was commissioned.

Modernize Public Safety and Security

The Department of Health and Social Services has three campuses and 15 service centers across the state. In March 2020, it completed a year-long project to determine if it could realize efficiencies by centralizing management of all security-related functions, creating consistent policies across all locations, and addressing disparate staffing levels, funding and equipment. At the conclusion of the project, over 200 recommendations were generated in the areas of:

- Organizational structure and leadership for DHSS security
- Training for security officers
- DHSS polices (for security department and physical security)
- Career progression/professional development for security officers/supervisors
- Marketing and branding of DHSS security
- Centralized management for physical security
- Minimum security standards
- Emergency communications
- Site-specific security technology recommendations.

The recommendations have been categorized based on cost and criticality. Implementation work is in progress and will continue through 2023.

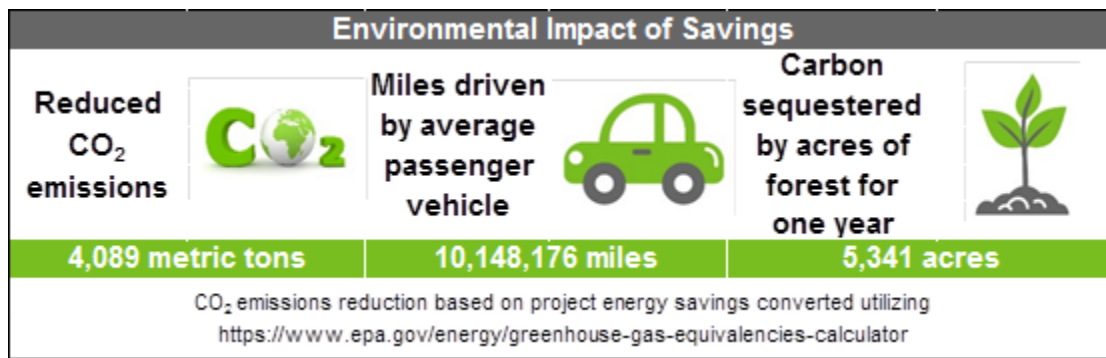
Implementing Telework

In 2018, the DHSS Management Services' Project Planning Group developed a progressive telework policy that will be used to help DHSS address challenges with staff recruitment and retention, improve the agency's ability to maintain operations during an emergency, and reduce its need for leased space. The policy was in the final approval stages when the COVID-19 pandemic hit. The Division of Management Services created a DHSS Telework Support Team to work with liaisons, from each division, to rapidly implement telework across the department as part of its pandemic response. This was highly successful and allowed DHSS to perform essential services while keeping its staff safe.

Save Energy Costs

In August 2019, DHSS completed Phase 1 of green, energy-saving improvements at its buildings and 24/7 facilities. The result of these improvements is an annual 9 percent reduction in electric consumption, 5 percent reduction in water consumption, and 1 percent reduction in heating fuel consumption. The year 1 savings are \$310,000.

In November 2020, Phase 2 is launching. This second energy-savings project includes electrical end-use improvements, envelope weatherization, increased Building Automation System control, installation of solar power arrays, laundry updates, reduced excess kitchen and lab exhaust, steam system improvements, and replacement of aging boilers, chillers, and cooling towers. The estimated savings from this project is \$277,000 annually.



Leverage Federal Funding

The Department of Health and Social Services continues the operation of the cost allocation unit whose purpose is to maximize federal reimbursements by analyzing the appropriate statistics to identify, accumulate and distribute allowable costs among state and federal funding sources. In Fiscal Year 2020, this unit identified \$3,214,977 in federal funding to support staff salaries for DHSS's information technology and social worker/case manager positions.

Deploy Electronic Signature Technology

DocuSign was fully implemented by DHSS for contract signing in March 2020. The timing was advantageous for many reasons, not the least of which was the COVID-19 pandemic and the Governor's emergency stay-at-home order. Since its inception DHSS has sent and completed 4,599 DocuSign envelopes for document signature. This equates to the savings of over 52,000 sheets of paper. Use of DocuSign has moved well beyond contracts signatures. Over half of all envelopes/documents are fully-executed within six (6) hours – resulting in much lower turn-around times and more efficient contract processing. Over this time there have also been savings garnered by using fewer printer cartridges and extending the useful life of copiers and printers. In addition, paper waste has been reduced by 1,130 pounds which equates to 19 fewer recycle/trash cans needing to be emptied and the associated personnel cost savings. The Contract Management and Procurement (CMP) department's fleet vehicle use has been reduced by 90 percent thereby reducing gas and maintenance expenses. DocuSign's implementation allowed DHSS to be fully functional for purposes of contracts management and procurement throughout the pandemic.

Deploy Automated Procurement System

In response to feedback from the DHSS Reorganization Task Force, an automated procurement system, Bonfire, was implemented in May 2020. There are currently 30 RFPs in process, 19 of which are under evaluation by various DHSS divisions. DHSS has saved 55,500 sheets of paper by using an eProcurement platform and has greatly reduced the consumption of expensive printer cartridges. Since its inception 1,947 vendors have registered on the DHSS Bonfire portal; 88 vendors have joined just since October 1, 2020. The department's divisions have uploaded 698 contracts and amendments to Bonfire thus far, valued at approximately \$180 million. Bonfire's implementation allowed DHSS to be fully functional for purposes of contracts management and procurement throughout the pandemic.

Deploy a Constituent Inquiry Tracking System

In October 2020, DHSS launched a Constituent Inquiry Tracking System. This system will be used by all eleven DHSS divisions to log and track all inquiries from constituents, clients, legislators, the Governor, and other elected officials. The department will now have a single unified system to process these inquiries in a more consistent and timely fashion, as well as improve response time to client concerns. The new system will also provide DHSS management with metrics that improve visibility into the nature and quality of the DHSS' interaction with constituents, as well as the ability to provide important metrics to state staff and legislators.

Consolidation of Birth to Three and Child Development Watch Programs

In July 2020, the Division of Management Services and the Division of Public Health consolidated the Birth to Three and Child Development Watch programs. Efficiencies gained from this consolidation are expected to improve access to early

intervention services, centralize supervision responsibilities, and enhance program monitoring activities. This is also a step towards a larger, statewide centralization of early childhood services and governance.

Consolidation of State-Run Long-Term Care Facilities

In June 2020, the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD) consolidated its two state-run long-term care facilities, Governor Bacon Health Center (GBHC) and Delaware Hospital for the Chronically Ill (DHCI) into one building. This move was done in response to several factors. Census numbers at GBHC had been declining for several years due to efforts consistent with the nationwide trend toward reducing reliance on facility-based care and supporting individuals to live in the community whenever possible. Additionally, alternate care site demands from COVID-19 patients drove the need to make the consolidation happen at this time.

The consolidation of the two facilities allowed DSAAPD to consolidate staffing and resources under one roof, maximizing efforts to respond to the pandemic and meet the needs of residents residing in those facilities. This was a very successful effort due in large part to the commitment of staff to their residents. Governor Bacon Health Center staff transferred to DHCI with the residents they consistently cared for. This allowed for continuity in an uncertain time for both residents and staff. The Delaware Hospital for the Chronically Ill was welcoming to its new residents and to their colleagues joining them from GBHC. Staff from both facilities showed remarkable resilience and commitment during this extremely difficult time.

The COVID-19 pandemic also brought unprecedented pressures on acute care hospitals. With the consolidation of GBHC at the DHCI location, GBHC was repurposed for an alternate care site for Delawareans recovering from COVID-19. This site has been used for this purpose during the early months of the COVID-19 pandemic and remains available for alternate care site use should the demand return.

The Psychotropic Medication Advisory Committee (PMAC)

Delaware Hospital for the Chronically Ill serves some of the most medically complex individuals in our community. Changes in the population we serve mirrors the national evolution of long-term care. Major medical issues remain primary, and comorbid psychiatric needs are a significant part of the picture. This facility provides medical care for residents who also have a Severely and Persistently Mentally Ill (SPMI) diagnosis, as well as highly aggressive individuals with dementia. Even with a number of unique variables in the population served, the facility rate of antipsychotics use is compared nationally to other long-term care facilities. Delaware's antipsychotics percentile was consistently, significantly above the national average.

The Psychotropic Medication Advisory Committee (PMAC) was formed to address this rate and more importantly, to improve resident's quality of life. Founded in the values of the DHSS mission, "To improve the quality of life for Delaware's citizens by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations" and DSAAPD's mission "Promote dignity, respect, and inclusion for older adults and people with disabilities," the Psychotropic Medication Advisory Committee's paramount objective is to increase quality of life for residents. Beyond the most important outcome goals for improved quality of life, additional benefits include decreasing nursing administrative time (giving medications), increasing nursing staff interaction time with residents, increase work satisfaction, decreasing staff burnout, decreasing financial cost of pharmaceutical purchasing, and meeting state and federal regulatory requirements.

The work of the PMAC is to minimize these negative consequences while attempting to improve quality of life with less medication. Additional boundaries and challenges include the impact on other staff and residents while working with the individual through the Gradual Dose Reduction (GDR) process. Some residents may require additional attention or modified care that requires staff to communicate and change processes to meet the needs of the individual. Assumptions guiding this project include the tenets of person-centered care, resident well-being and quality of life, staff and resident safety and medical guidelines.

Improvement and promising trends were evident at 6 months. An 88 percent increase in the number of clinically indicated GDRs was achieved during this time, with an 87 percent success rate. At one year, 91 percent of GDRs have been successfully maintained. We have achieved an overall reduction of 35 percentage points by national comparison. Beyond

the tangible benefits of reduced medication, the reduction in our pharmacy spending in the antipsychotic category decreased from \$187,187 in 2015 to \$13,806 in 2019 or reduction of 1,256 percent.

The Outsourcing of Long-Term Care Laundry Services

To address exceeding cost estimates of the coming years, DSAAPD investigated various options including outsourcing our Long-Term Care (LTC) laundry service. After a trial run DSAAPD has since outsourced the entire LTC laundry service needs. By outsourcing laundry services, DSAAPD still provides the highest quality of service to staff and residents while gaining a significant cost savings. As shown in the Outsource Cost Savings Chart below, outsourcing costs an average of \$33,000 per month which comes up to an estimated \$396,000 per year. When looking at the annual salary and utility savings, DSAAPD comes up with a total of \$491,724.79 which in comparison projects an annual operation cost savings of \$95,724.79.

Laundry Outsource Cost Savings	
Description	Spend
Outsource cost / year	(\$396,000.00)
Salary costs avoided	\$277,153.26
Utility costs avoided	\$214,571.53
Total annual savings:	\$95,724.79







The operational cost savings shown above is significant but is only a part of the overall when including operational supply costs, contractor fees as well as estimated annual repair costs and maintenance and restoration or preventive maintenance expenses all shown below in the additional cost chart. These added expenses are no longer necessary while outsourcing the LTC laundry services.

Additional In-house Costs Avoided	
Description	Savings
Contractual	\$37,282.49
Supplies (for operations only)	\$30,000.00
Repair Cost	\$24,838.00
Repair Cost M&R	\$11,720.00
Total:	\$103,840.49

The sum of annual savings resulting from outsourced laundry services is $(\$95,724 + \$103,840 =)$ **\$199,565/year.**

HUMAN RESOURCES

Prior Recommendations Summary

Project	Status	Comment
Implement HR Centralization	 2 green	Implemented numerous revised centralized policies and procedures in addition to new policies, procedures and forms created in response to COVID-19.
Modernize Human Resources Service Delivery	 2 yellow	<ul style="list-style-type: none"> Supporting eSTAR Phase V implementation with remaining centralized agencies Drafted Recruitment, Classification, Hiring and Onboarding System requirements as part of an RFP process Monitoring the E-Personnel Records pilot with the DHR- DNREC HR Office agency using a completely electronic personnel records system.
Implement GEAR-P3 Innovation & Efficiency Award	 1 green completed	<ul style="list-style-type: none"> Expanded GEAR-P3 Trailblazer Award to recognize individuals and small teams demonstrating innovation and efficiencies (includes monetary incentive \$1,500) GEAR-P3 Award recognized One Stop Rebuild Team with a monetary incentive of \$10,000.
First State Quality Improvement Fund	 2 yellow	Developed program curriculum to implement a Process Improvement Practitioner Certificate Program that includes training on LEAN process improvement, change management, and project management. The COVID-19 pandemic pushed back the implementation, but the program is set to kick-off in 2021.
Streamline HR Processes – Lean HR Demonstration	 1 green	<p>Developed statewide recruitment strategies and implemented several initiatives for hard-to-fill positions resulting in decrease in time to fill and time to hire</p> <p>Eliminated backlog of compensation and classification requests and met turn-around metrics on average 99.2 percent of the time across seven processes</p>
Reduce Healthcare Costs	 1 green	Implemented several new strategies to reduce healthcare costs for State employees, pensioners, and their dependents.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. **Yellow:** project experiencing manageable challenges.

Red: project experiencing significant issues. **Gray:** project withdrawn.

Overview of Current Initiatives

Centralize Human Resources

The objective of centralization is to develop best practices for the delivery of human resources (HR) services with a focus on customer service, efficiency, effectiveness and accountability. The COVID-19 pandemic presented several challenges. The Department of Human Resources (DHR) quickly pivoted to enable employees to work remotely and meetings were held daily to keep the centralized HR offices up to date as policies and procedures were quickly evolving. The department implemented several centralized policies including Americans with Disabilities Act Policy; Advanced Starting Salary Request; Casual/Seasonal Exception Request; Dual Incumbency Request; Non-Recurring Shift Differential Application Pay Instructions; Annual Leave Time Carryover Guidelines and Extension Instructions; and new employee orientation (NEO) Agree to Comply with new Employee Oath to Support the Constitution. In response to the COVID-19 pandemic, DHR implemented the: COVID-19 Leave Policy; COVID-19 Frequently Asked Questions; Authorized State Paid Emergency

Leave; Borrow-Ahead Leave; Child Care Verification Form; Telecommuting Policy and Return to Workplace Guidance for Supervisors.

DHR implemented an online Respectful Workplace and Anti-Discrimination training required of all Executive Branch employees. Using the Delaware Learning Center, the training is automatically assigned to new employees upon hire and tracks the status of completion providing employee reminders as due dates near. As demand for online training increased dramatically in 2020, the Department of Human Resources quickly secured additional online training courses in the areas of communication, leading remote teams, leadership, wellness, and using various virtual meeting tools.

The Department of Human Resources' LEAN HR approach focuses on engaging people to document existing work processes and to identify opportunities for improvement. As part of the HR Lean Demonstration and through streamlining work processes, DHR decreased the Time to Fill for vacant positions by 12.8 percent and the Time to Hire by 14.3 percent. Seven classification and compensation work processes were improved to eliminate the backlog of requests and achieve established turn-around time metrics for 99.2 percent of the requests.

Modernizing the Delivery of Human Resources Services

In the age of digital government, the State of Delaware is without the necessary technology to support statewide human resources functions. The ability to use technology as a tool to manage requests and document is paramount to effective and efficient delivery of centralized human resources services.

- The Department of Human Resources is supporting Phase V implementation of a new timekeeping system, eSTAR, through 2021. This further expands the use of the timekeeping system across many of the remaining centralized agencies and potentially creates opportunities for additional efficiencies.
- Through a partnership with the Department of Natural Resources and Environmental Control (DNREC) and the Department of Technology and Information (DTI), DHR-DNREC human resources staff implemented a first-of-its-kind electronic personnel records system pilot. The system implementation will be monitored for effectiveness and considered for expansions across the department.

To proceed, investments are needed to implement technologies in support of critical HR processes through the employee's lifecycle including hiring, onboarding, workflow tracking, case and request management, and electronic personnel records management systems, employee performance, and off-boarding.

Implement HR Process Improvement Programs

The Department of Human Resources worked with GEAR and expanded the GEAR-P3 Innovation and Efficiency Award (GEAR P3 Award) to include the GEAR-P3 Trailblazer Award to recognize individuals and smaller teams. The Governor recognized GEAR-P3 Award winning team with a cash award of \$10,000. An individual and a small team were also recognized for the GEAR-P3 Trailblazer Award and received a cash award of \$1,500. These awards support several of the Governor's GEAR strategies including: developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; rewarding State employees that drive potential cost savings resulting from shared services; identifying and showcasing quality improvement initiatives; and sharing best practices across State government.

Although COVID-19 public health emergency caused a delay in the implementation of the 2020 Continuous Improvement Practitioner Certificate Program, plans are underway to begin the training virtually in early 2021. The purpose of this program is to build the State's internal capacity for implementing continuous improvements throughout State government and to help create a culture of operational excellence. This program is designed to create trained practitioners with skills in project management, change management, and business process improvement who will lead and facilitate quality initiatives that support the GEAR principles of efficiency, effectiveness, and accountability of state government.

Develop Best Practices in Talent Acquisition

Redesigning the recruitment and retention processes includes developing best practices for filling vacancies, in the shortest time, with the best customer service. In partnership with state agencies, talent acquisition strategies were developed using agency-specific data profiles to identify and document recruitment and retention objectives, create process improvement targets, and align recruitment metrics to measure process efficiency.

The Department of Human Resources implemented several new recruitment and retention incentive programs for nurses,

correctional officers, family service specialists, youth rehabilitation counselors, treatment specialists, ocean lifeguards, and engineers. These programs resulted in an increase in the number of hires, lengthen the posting time of hard to fill positions and provide hiring managers a steady stream of viable candidates, and decreased vacancy rates. For example, the vacancy rate for correctional officers decreased by 3.3 percent from the previous year for the Department of Correction.

Reduce Health Care Operating Costs

The objective of the Statewide Benefits Office (SBO) is to offer State employees, retirees, and dependents high quality healthcare, at an affordable cost, while promoting healthy lifestyles and engaging consumers. Achievements in 2020 included implementing enhanced care management programs and services resulting in 62 percent engagement rate and 83.4 percent overall employee participation in Open Enrollment. Additional achievements included the implementation of pre-diabetes/diabetes program and establishment of state-wide metrics and monitoring of diabetes cost and prevalence, implementation of an opioid management program for health plan members intended to reduce opioid prescribing and potential for long term use and addiction, and created several new websites for employees: wellness including [Your Benefits and COVID-19](#), [Healing and Wellness](#), [Cancer Resources](#) and [Maternity Support](#). These and other efforts resulted in the State Group Health Program cost being maintained at 0.9 percent leading to no increase in healthcare premium rates for the third consecutive year. The other efforts included creative plan design, consumer engagement tools and use of technology, improve transparency, member behavior and deferred care due to COVID-19.

Future Activities






Process improvements will continue in 2021 as DHR tracks and monitors changes to HR processes in labor relations, classification and compensation, and talent acquisition. In addition, agency leadership and human resources staff continue to provide valuable input to assist DHR in identifying HR processes in need of improvement. As DHR creates a Lean HR culture the alignment of HR functions, documenting current workflows, eliminating efficiencies, and improving responsiveness is part of our continuous quality improvement effort.



With an emphasis on people, process, and technology, DHR is using Lean to transform the delivery of HR services, resulting in a global best practice for the people served – employees, retirees, and their dependents. Technology is a critical component of the equation to create a global best practice. To proceed, investments are needed to implement technologies in support of critical HR processes through the employee’s lifecycle.

INFORMATION TECHNOLOGY

Prior Recommendation Summary

Project	Status	Comment
Implement Shared Services	 1 green	Centralize IT operational support by developing and implementing a new Shared Services Model: <ul style="list-style-type: none"> Centralize and standardize all service desks Standardize and document service delivery solutions, e.g. defined services, service level agreements (SLAs) operating metrics, etc. Produce and maintain a service catalog supported by a transparent cost recovery model
Improve Policy and Governance	 1 green	Centralize the various IT silos in the State, eliminate unnecessary spending, and improve inter-agency teamwork: <ul style="list-style-type: none"> Improve communication and transparency between the agencies and DTI Develop and implement standard IT policies, support processes, and IT architectures across the State Create a governance framework under which both the IT organization and State agencies work to create common standards, funding, and project prioritizations
Implement Centralization	 1 green	Centralize the IT operational support under a single entity, DTI. The centralization plan will include: <ul style="list-style-type: none"> A plan to fund the centralized organization through a combination of budget consolidation, cost savings, centralized resources Changes to the DTI organizational structure to optimize services and specialize skill sets Work to standardize the staff titles framework and compensation structure
Develop Desktop as a Service Program	 1 green	Develop a new strategy to procure and manage end user computer devices. <ul style="list-style-type: none"> Develop and publish standard system configurations Implement a consumption-based pricing model for devices as well as removing the ownership of the devices Convert expenditures for devices from capital expenditures to operating expenditures Streamline the procurement/replacement process for defective units
Implement Vendor Management Program	 1 green	Create a centralized IT vendor management capability to accomplish the following objectives: <ul style="list-style-type: none"> Centralize and reduce the number of IT contracts Proactively manage software licensing to eliminate waste and duplication of licensing Partner with vendors to identify and realize cost savings strategies through contract restructuring or change in services Develop IT specific procurement staff knowledgeable of the unique aspects of IT procurement

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges.

Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

To realize the many benefits of Information Technology Centralization (ITC), Delaware has adopted a standardized Information Technology (IT) services delivery model, with shared services either delivered or brokered by the Department of Technology and Information (DTI). Based on the findings of a statewide IT assessment, DTI developed a centralization plan that defines the delivery strategy for commoditized services. The plan identifies cost savings, investments, efficiencies, timelines, a plan for fiscal and IT employee resources, and how agency-specific needs will be addressed. Strong executive level support is needed for this transformational change as it will become the foundation for delivering the digital government priorities and initiatives citizens deserve. Unfortunately, the pandemic has impacted the implementation timeline for the ITC program due to budgetary concerns and the necessary reprioritization of efforts in the near term.

In response to the pandemic, the State provided more than 1,000 laptops to employees, enabled teleworking by standing up emergency virtual private network (VPN) access, and deployed software tools that allowed workers to answer their office telephones from the safety of their homes. This year's challenges have highlighted the value and necessity of IT efficiency, access, and modernization.

Prior Recommendation Strategy

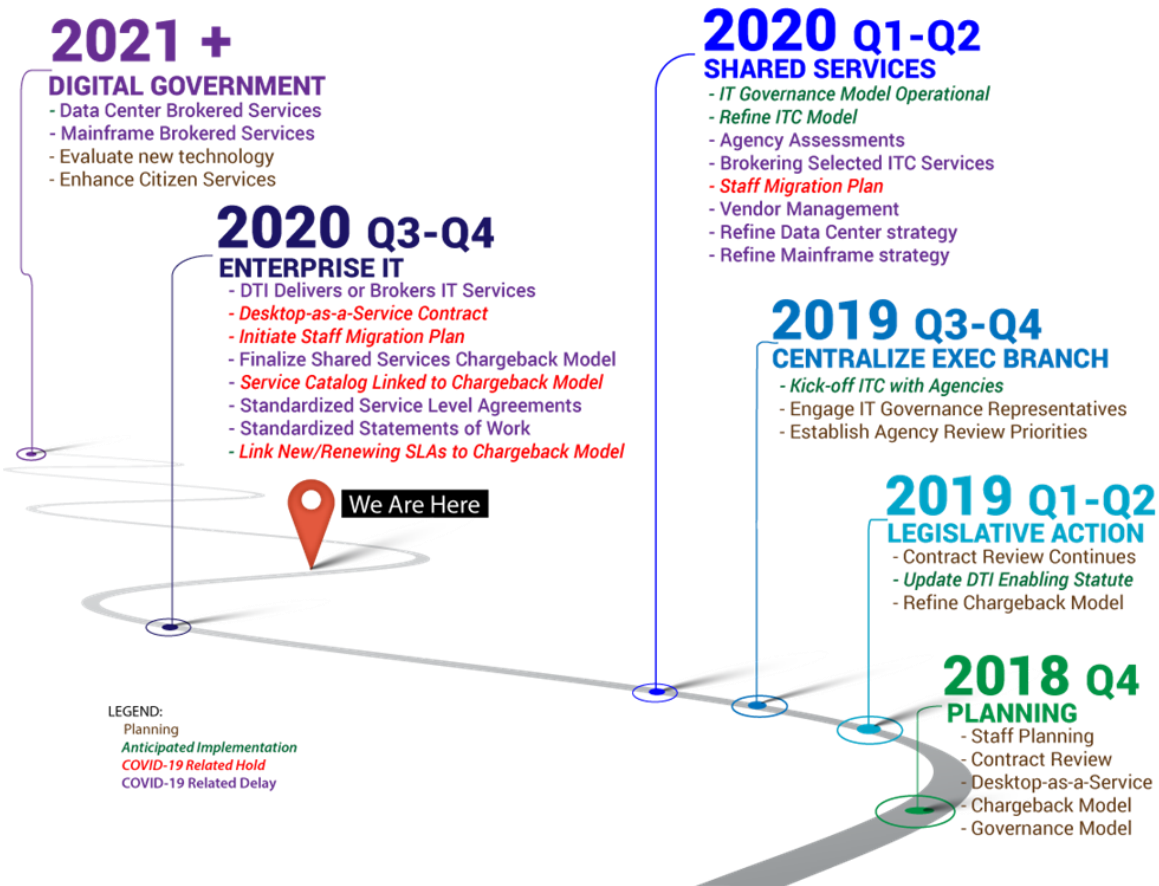
The enterprise ITC strategy will ensure an equitable, efficient, and cost-effective approach to delivering IT services. The key objective is to establish a multi-agency governance board to institute standardization across commodity-based services, including server infrastructure, network, end-user computer support and service desk. These efforts will enable the State to deploy an enterprise cyber security strategy, reduce spending, use data as a strategic asset, and deliver intuitive digital government for all Delawareans.

Overview of Current Initiatives

Leveraging the oversight and governance of the GEAR Steering team, in late 2017 DTI engaged a vendor partner with experience in ITC to perform extensive analyses of the Delaware government's partially centralized IT environment. The consultants completed Delaware's preliminary assessment with the participation of 44 agencies and more than 60 people contributing to the discovery and data collection efforts. The Department of Technology and Information shared outcomes of the consultant's study with the GEAR Board in July 2018. Next steps were to centralize executive branch IT support in a DTI brokered shared services model to accrue substantial savings and cost avoidance to Delaware. That work began in August 2019 after Governor Carney signed Senate Bill 153. This legislation updated DTI's enabling statute (Title 29, Section 90c), with several key features:

- Authorizing DTI to leverage a full chargeback model to support shared services: Although a Shared Services Chargeback Model was completed in 2020, the plan to transition continues to be under negotiation. This chargeback model is the basis of a strategy that includes guaranteed return of a percentage of any captured savings to the Shared Services entity for continued improvement. The return of captured savings is required for centralized IT to be self-sustaining.
- Reallocating IT assets and staff from executive branch agencies to DTI: This effort, which required assessments of all agencies to be centralized, has been delayed because IT resources were redeployed to support the rapid ramp-up of remote workforce needs at the start of the pandemic. Work has continued, but reallocation cannot go forward before the scope of enterprise IT needs are fully known and understood. Reallocation also requires that the Shared Services Chargeback model be fully in place to fund transitions.
- Authorizing development and implementation of a comprehensive information security program: Due to the rapid transition to a mostly remote State workforce, and the need to initiate a new COVID-19 exposure contact tracing tool -- and contractor workforce -- network security became a prime concern. Efforts were accelerated to migrate State workers to a new identity and access management tool, Delaware ID, much more quickly than planned. This solution also will serve Delaware's digital government efforts by providing citizens a secure means to interact with Delaware agencies online.
- Reconstituting a Technology Investment Council responsible for Delaware's statewide technology plan: The council has been reformed and met once in 2020.
- Responsibility for statewide IT procurement standards and processes: This effort slowed but continues to move forward.
- Developing and implementing data sharing among executive branch agencies: needs brought to fore by the pandemic accelerated efforts to enhance Delaware's ability to put Power BI, a data analytics tool from Microsoft, into wider use more quickly, and to make data analyst services more available to agencies.

In Progress, Recommendations, and Future Activities



Following the legislative update, DTI continued to work with subject-matter expert contractors in 2019-20 on a number of projects to advance IT centralization efforts, including:

- Reviewing the largest State IT contracts -- valued over \$1M per year -- to identify cost savings and risk reduction as a prerequisite to IT vendor management, resulting in savings over \$315,000. A review of vendor contracts costing between \$500K-\$1M per year has commenced.
- Developing new procurement models for Device-as-a-Service (DaaS) for user devices, e.g. PCs, laptops, tablets, etc. New procurement models for mainframe and data center services are presently delayed as they are tied to the implementation of the Shared Services Chargeback Model.
- Continued Executive Branch agency ITC assessments

Enterprise Activities

Microsoft 365 Implementation

The State will soon complete the first phase of efforts to migrate to Microsoft Office 365 Pro Plus / Exchange Online. Enterprise licensing agreements for these services, held by various state agencies, have been renegotiated with custom terms and a common termination date of December 31, 2020. The State can now assign 21,000 users to a single enterprise-wide Microsoft Office 365 Pro Plus license agreement beginning January 2021. Operating within a cloud service secured for government use, this modern suite of productivity tools lays the foundation for enhanced collaboration across the enterprise – the second phase of the effort. Capital expenses for device-based software are now shifting to an operating expense – a user-per-year subscription model for Software-as-a-Service -- in keeping with the goal to make IT service costs more predictable and scalable. A single enterprise agreement also simplifies adherence to licensure requirements, while enhancing security protections and regulatory compliance. The pandemic paused activities in the first phase of the effort for the last

seven agencies schedule for migration, yet accelerated the start of the second phase for several agencies due to the need for remote workforce collaboration. Tools in the scope of the second phase include One Drive, SharePoint Online and Teams – and are expected to be enabled for 11 agencies by November 2020.

Several service offerings have remained in the final planning stages. These service offerings will be part of a larger transition to a new Shared Services Chargeback Model underpinning ITC. Because of the delay in transitioning to the new ITC model, migration to the following services have been affected:

Device-as-a-Service (DaaS)

This service offering shifts Delaware IT user equipment service provisioning and administration from capital to operating expense, and:

- Maximizes procurement economies of scale and stabilizes procurement of technology equipment
- Bundles the costs of imaging, support, maintenance, repair/replacement services
- Assures a predictive, consumption-based cost model for budget planning

Under the DaaS subscription model costs vary based on monthly consumption, and therefore are based on actual use.

Data Center-as-a-Service (DCaaS)

The DCaaS service maximizes procurement economies of scale within the State, stabilizing data center hosting costs by shifting spending from episodic large capital investment to continuous operating expense, through these and other features:

- A service catalog enabling the selection of standard, updated technology, e.g. modern facility environment, security compliance, etc.
- A new hosting service will include infrastructure and a range of support, maintenance, backup, and security services governed by contract
- DCaaS hosting meets State standards and policies, and introduced a consumption-based cost model that is predictive for agency and State budget planning
- An analytics and monitoring service enabling regulatory compliance, while also optimizing software licensing and hardware management

Mainframe-as-a-Service (MFaaS)

The Mainframe-as-a-Service offering enables Delaware to take advantage of more cost-effective platforms over the next decade. As workloads migrate off the mainframe the infrastructure cost burden is split amongst an increasingly smaller pool of agencies. Consumption-based billing for this brokered service, for which a Statement of Work is being finalized, enhances agency ability to quickly adjust services to workload needs.

Pandemic Response Initiatives Recommended for Continuation

Enterprise Digital Government: Single Sign-On for State workers and Citizens

Citizens have a view that State agencies collectively are “the government” and thus have a corresponding expectation that they will be able to access services in a seamless manner. Digital services have been historically deployed at an agency/division level resulting in an array of disparate and non-integrated services. Delaware is rapidly moving toward a citizen-centric, digital government model that will deliver a consistent and intuitive user experience. Many government services are accessible online now, and enable citizens to access services anytime, from anywhere, and on any device. However, Delaware has migrated services to the Internet without employing an enterprise strategy, therefore services must be sought through a variety of agencies.

The Department of Technology and Information, and Department of State’s Government Information Center (DOS GIC) are developing a strategy that enables the integration of existing systems, and the deployment of new systems, into a modern enterprise platform. The new platform includes several technology capabilities in support of the digital government

platform, i.e. a Customer Relationship Management (CRM) application, a single sign-on authentication and identity proofing system, an email marketing solution, a data management and analytics tool, and online payment tools. With the assistance of strategic partners, including partners from the private sector, the State will migrate from a legacy brick-and-mortar services model, to modern digital government.

Additionally, DTI is working to implement a single sign-on solution to enable a single point of entry for all digital state services for citizens, similar to the Delaware One Stop Business portal.

Expanding Broadband and Wireless Access Across Delaware

Consistent with the Governor's Action Plan for Delaware, DTI continues to champion the expansion of broadband high-speed Internet service in underserved areas of Delaware through the use of public private partnerships. The shutdown of businesses, government, and educational institutions during the pandemic underscored the challenges many citizens face, including the availability of internet service in all areas, and limited options for reasonably priced broadband services. High-speed Internet is essential for the expansion of businesses, education, and quality of life for Delawareans.

The pandemic response required acceleration of the third phase of the broadband expansion project. This initiative began in May 2019 and targeted approximately 127,000 homes and businesses located in a coverage area that comprises nearly 70 percent of Kent and Sussex counties. Provider-deployed LTE wireless equipment on existing state/county transmission towers, completed months early (September 2020) enabled the provisioning of low-cost services for low-income families, for at least seven years, providing services without caps, quotas or other access or usage limits. Kent and Sussex county governments committed to supporting the initiative to eliminate the rural broadband issue. Additionally, DTI applied for CARES Act funding to support the rural broadband access effort.

Telework Services





The Department of Technology and Information responded quickly in March 2020 with solutions and technology to enable large numbers of its workers to work remotely. The solutions included:

- Provisioning over 7,000 workers to use a special "Covidaccess" Virtual Private Network (VPN) above and beyond the 14,000 already provisioned for existing VPN access
- Providing expanded virtual meeting tools support, i.e. WebEx, Zoom
- Introducing the Cisco Jabber Softphone service which allowed 740 workers to access their office desk phone from their home computer
- Accelerating availability of the suite of Microsoft 365 collaboration tools, i.e. Teams, SharePoint Online, One Drive

In July, DTI deployed a new Okta Single Sign-On solution to secure VPN access with Multi-Factor Authentication (MFA) at the same time the COVID-19 Contact Tracing application was introduced. Subsequently, the single sign-on solution was applied to secure the Covidaccess VPN used for telework access, and was used to replace legacy Entrust and Microsoft MFA services – affecting over 14,000 workers using Microsoft 365 applications. These actions will be funded as part of the shared services chargeback model presently awaiting Office of Management and Budget approval.

PUBLIC PRIVATE PARTNERSHIPS (P3)

Prior Recommendations Summary

Project	Status	Comment
Strengthen & Grow the GEAR P3 Innovation and Efficiency Award	 1 green	Continue to build on the success of this State/Business community award to recognize excellence in innovation and process continuous improvement
Accelerate the “Ready in 6” Initiative	 1 green	Support the initiative to reduce permit approval process time to accelerate economic development in the State
Next Generation Workforce for Digital Innovation	 2 yellow	Develop the next generation workforce so that is ready to participate in digital innovation. Obtain support from large Delaware-based corporations by working closely with the State DHR and DTI.
Identify P3 Opportunities	 1 green	Encourage agencies to identify State initiatives that are resource or funding constrained, and possible candidates for P3 assistance

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges.

Red: project experiencing significant issues. Gray: project withdrawn.

The GEAR P3 Task Force seeks opportunities to form P3 partnerships that will advance critical State initiatives in a timely fashion. The task force will identify critical projects such as helping to build an entrepreneurial economy, workforce development, K-12 education transformation and many other initiatives that would positively impact the services provided by the State to the citizens of Delaware.

The opportunities addressed by the task force will be organized into one of three categories.

1. **Aspirational:** Five to ten-year horizon, transformative in quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$20 - \$500 million annually through major innovation.
2. **Strategic:** Two to five-year horizon, systemic quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$2 – 20 million annually through continuous process improvement.
3. **Tactical:** One to two-year horizon, incremental quality of life and/or financial impact to Delaware, can reduce costs and/or increase revenue by \$50 thousand - \$2 million annually through continuous process improvement.

The task force will identify major State initiatives that are either resource constrained, or funding constrained, and brainstorm to determine if a P3 approach would bring enough leverage to drive the requirements forward. The will also ensure that there is full engagement from both the Delaware Business Roundtable (DBRT) and the Delaware State Chamber of Commerce (DSCC).

The year 2020, though impacted by the pandemic, has seen progress in P3 partnership development throughout the State of Delaware. Within the education arena, the partnership between the DBRT, the DSCC, the Rodel Foundation, and the State Department of Education has made advancements in public education reform through both the Vision Coalition of Delaware and their Student Success 2025 plan, and the Delaware Business Roundtable Education Committee (DBREC). The three-year old Delaware Prosperity Partnership (DPP) is an example of how a public private partnership has brought new and innovative leadership and thinking to economic development in Delaware.

Overview of Current Initiatives

Strengthen and Grow the GEAR P3 Innovation and Efficiency Award

In 2018, GEAR, DHR, DOF, and the Delaware business community represented by the GEAR P3 task force, established an annual award to recognize and incentivize individuals or groups of Delaware State employees who can demonstrate successful implementations of innovative, continuous improvement projects. Now in its third year, the 2020 GEAR P3

Award has been expanded to recognize teams (“GEAR P3 Innovation and Efficiency Award”) and individual contributors (“GEAR P3 Trailblazers Award”).

Those selected for the award serve as models that promote interest and awareness in State government continuous improvement activities, encourage information sharing, and demonstrate the advantage of leveraging successful strategies to other organizations.

The awards address several of the Governor’s government improvement strategies including: developing ideas to improve the efficiency and effectiveness of processes and programs statewide; rewarding employees that drive cost savings resulting from shared services which span agencies; identifying and showcasing quality improvement initiatives currently existing within the government; and sharing best practices statewide.

The GEAR P3 task force has succeeded in getting more companies involved with this important award, and now the commitment from the private sector and public sector has doubled, with \$25,000 coming from the private sector (the number of participating companies having more than doubled since 2019), and \$25,000 from the public sector. The overall \$50,000 committed to this program will ensure that even more accomplishments by State employees and State teams can be recognized for their performance.

Support “Ready in 6”

The Delaware Business Round Table and its partners have launched the “Ready in 6” initiative -- designed to cut the permit approval process timeline from 24 to 6 months -- so Delaware may better compete for new businesses wishing to commence operations in our state. The Roundtable retained KPMG to make recommendations on how the state could strengthen its permitting processes by 1) streamlining communication between state and local agencies; 2) providing greater transparency and cost predictability, and 3) implementing fast-track approval programs for high priority projects. Agencies such as DelDOT, DNREC, OSPC and others have worked to redesign certain business processes in support of speeding approval processes including the creation by the Governor and General Assembly of a Transportation Infrastructure Investment Fund to support fast tracking of key projects.

Work to implement these recommendations was impacted by COVID-19, as were the program’s momentum and funding. GEAR P3 task force will seek to help re-establish the “Ready in 6” program funding and implementation plans in 2021. The task force will seek strong private-sector support to help the program stakeholders, e.g. DPP, Department of Natural Resources and Environmental Control (DNREC), Delaware Department of Transportation (DELDOT), and others to identify which permit-to-groundbreaking processes are insufficiently responsive, indicate which State permitting processes should be prioritized to better serve the business community and to prepare for any potential legislative changes needed to help accelerate and ensure the success of the program. . GEAR Field Team will explore how to play a productive role in assisting agencies with process mapping and redesign to help reduce turnaround times.

Next Generation Workforce for Digital Innovation

Delaware and the nation continue to experience significant adverse economic impacts due to a lack of IT resources. These deficits result in talent being imported from other states, and even abroad, instead of from Delaware’s educational institutions which serve as workforce pipelines. Additionally, the Bureau of Labor and Statistics data states that by 2020 there will be 1.4 million new computer science jobs -- but only 400,000 computer science graduates will be produced. For graduates, possessing expertise in information technology is as necessary as being able to read and understand mathematics.

GEAR P3 task force will help plan and support a multi-industry group whose objective is to foster programs that produce the next generation of IT professionals in Delaware ready to drive digital innovation.

Develop a Digital Government Enterprise Strategy

GEAR P3 task force recommends Delaware develop and act on an enterprise digital government strategy that delivers a consistent and intuitive user experience like that provided by major online retailers. Though Delaware has made significant progress in making services available via the Internet, the lack of a comprehensive enterprise-level strategy has produced a set of services delivering inconsistent user experiences and levels of service.

The Department of Technology and Information, the Office of the State Treasurer (OST), and the Department of State’s Government Information Center (GIC) will collaborate with private sector partners and other state agencies to develop a strategy that enables the integration of current and new systems onto an adaptable enterprise platform. GEAR P3 task force

will engage strategic partners capable of helping Delaware overcome the State's data and information silos, thereby contributing to the creation of a new State of Delaware web presence which will meet the expectations of consumers of State services into the future.







Identify Public-Private (P3) Opportunities

With the second term for Governor John Carney now ensured, work will continue to increase the momentum of the GEAR P3 task force, and the GEAR program as a whole. The task force will work with state agencies, the DPP, and other entities – and will review all recommendations made in the GEAR Annual reports -- to determine how the public and private sectors may work together to create the most efficient and effective solutions that enable the State to better serve the citizens of Delaware.

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW (GEAR)

GEAR was established to be the catalyst for a sustained effort to continuously identify, monitor, and implement programs, policies and processes that enhance operational efficiency, and improve the quality of services delivered to the public, in a way that bends the cost of State government downwards. To this end, GEAR recognizes, supports and champions the efforts undertaken by all State government agencies.

Prior Recommendations Summary

Project	Status	Comment
Drive Continuous Improvement Training and Development	 1 green	The Administration supported the reinstatement of the First State Quality Improvement Fund (29 Del. C. § 6071). Working with the GEAR team, DHR has since taken action to reinstate the program in their list of priorities for the upcoming legislative session, has developed the required training curriculum and has signed contracts with external training providers.
Augment Leadership Training provided by the State	 2 green	Program management development will be rolled into the curriculum of the First State Quality Improvement Fund. Partnering with select vendors and academic institutions to provide training will commence in 2021 vs 2020 because of COVID-19 restrictions.
Establish Continuous Improvement Teams in State Agencies	 2 green	Six State agencies are represented on the GEAR Board presently – equating to 44 percent of all State agencies. Invitations to join GEAR will be extended to the remaining 9 agencies.
Grow the GEAR Field Team	 1 green	The GEAR Field Team was created in 2020, and a leader for the team with extensive project management expertise was recruited. The Field Team has grown quickly, and now has 15 members representing 6 agencies and the Judicial Branch.
Grow EdGEAR	 1 green	In 2019 the GEAR team partnered with the Department of Education (DOE) to design and successfully launch the EdGEAR program. Impacted by leadership changes and the pandemic, EdGEAR will be relaunched in 2020.
Build and Deploy Standard Practices and Tools for Continuous Improvement Projects	 1 green	GEAR is creating a Project Management Playbook to provide guidance about common practices and deliverables needed to ensure successful project outcomes. The Playbook is based on the Project Management Institutes (PMI) Certified Associate in Project Management (CAPM) training material. The first version of the document will be released in early 2021.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.

Green: project performing to plan. Yellow: project experiencing manageable challenges.

Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

Drive Continuous Improvement Training and Development

Consistent with the recommendation made in the 2018 GEAR Annual Report, the First State Quality Improvement Fund (FSQIF) (29 Del. C. § 6071) was reinstated by the legislature. A statute had existed to establish and define the FSQIF; however, Epilogue language in 2009 suspended the funding of the program. New Epilogue language was created in Fiscal Year 2020 to reinstate the program and fund it at the recommended level of \$150,000 per year.

The First State Quality Improvement Fund supports the mission of GEAR by creating a strong and stable workforce trained in continuous improvement methods. The First State Quality Improvement Fund program is implementing a training curriculum focused on LEAN Government, project management, program management, and the development of leadership skills. The program will generate new cohorts of trained and certified practitioners able to lead continuous improvement

activities. It is expected that the reinstated funding will support training of 20-30 employees annually. The need for employees with these skills has never been greater.

Throughout 2020 the GEAR team and DHR worked to create the curriculum in support of the program, identify training vendors through a request for proposal process (RFP), sign contracts with RFP winners, and attend training sessions to audit the performance of the selected vendors. Due to the impact of COVID-19, in-person training sessions were suspended in favor of virtual training events. GEAR and DHR will re-introduce in-person training once the pandemic has abated and guidance from the State is permitting. It is expected that a full cohort of future project management leaders will be trained in early 2021.

The program will be managed by the Department of Human Resources/Training and Organizational Development in cooperation with the GEAR Board.

Augment Program Management Leadership Training Provided by the State

GEAR will seek to improve State program management leadership training by developing partnerships with the University of Delaware's School for Professional and Continuing Studies, and the Delaware Manufacturing Extension Partnership. GEAR will also encourage process improvement initiatives in agencies who do not have experienced practitioners by seeking to augment existing State resources with university undergraduate and graduate students.

Establish Continuous Improvement Teams in State Agencies

The GEAR team recommended in 2020 that the Governor require all State agencies to identify, within their organizations, a team of persons to be dedicated to continuous improvement. It was recommended that cabinet secretaries assign two to three persons experienced in policy development, finance, and continuous improvement to work with the GEAR team. It was proposed that this team of newly identified resources be tasked with identifying continuous improvement opportunities, be authorized to instantiate projects that pursue the opportunities, and be required to regularly report on the progress of each initiative to the GEAR Field Team and GEAR Board. Furthermore, the identified persons would populate the early cohorts of the FSQIF Continuous Quality Improvement Training and Development program.

In 2020, candidates fulfilling the requirements listed above were identified by each agency in the State. Due to the pandemic, the initial training activities have been rescheduled for 2021.

Grow the GEAR Field Team

There are numerous opportunities to improve process efficiency, reduce costs, enhance the quality of services delivered, and replace or terminate ineffective processes and services. These opportunities remain unaddressed primarily due to a lack of personnel with continuous improvement (CI) expertise, a particularly acute situation in smaller State agencies.

A prior GEAR Annual Report recommended the creation of a GEAR Field Team (GFT). As a result, in 2020, the GFT was formed, and recruited a leader from the private sector with extensive project management expertise. The team has grown quickly, and now has 15 members representing 6 agencies and the Judicial branch. As the team continues to prove its value through activities throughout the State, consideration will be given to growing the GFT size in a manner consistent with the actual demand on the team's resources. Funding to add additional resources to the GFT will be pursued in subsequent fiscal years.

Grow EdGEAR

Members of the Department of Education (DOE) and GEAR successfully launched "EdGEAR", a team focused on finding and acting upon continuous improvement opportunities in the public education system. EdGEAR is staffed by school district superintendents, business managers, and DOE officials to ensure that the accountability and ownership of the program resides within the education system. EdGEAR is now managed as an activity within the Education Focus Area team.

Build and Deploy Standard Practices and Tools for Continuous Improvement Projects





GEAR recognizes the importance and benefits of a standard approach to documenting, modeling, and improving business processes. The GEAR team, primarily through the actions of the GFT, are putting into practice a collection of repeatable methodologies supporting these critical activities. The use of a well-known software toolset encompassing these work activities has been selected and promoted as the State standard.

Project management practices vary significantly between agencies. The GEAR team is nearing the completion of a Project Management Playbook to provide guidance about common practices and deliverables designed to ensure successful project outcomes. The Playbook is based on the Project Management Institutes (PMI) Certified Associate in Project Management (CAPM) training material. The first version of the document will be released in early 2021.

DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL (DNREC)

The Department of Natural Resources and Environmental Control continues its focus on delivering the highest possible value to customers while protecting and managing the state's vital natural resources. Continuous process improvement measures have optimized multiple business processes in 2020.

2020 Initiatives Summary

Project	Status	Comment
Enterprise Content Management (ECM)	 1 green	Project is at 90% completion. Division of Air fully operational. DNREC DHR utilizing electronic employee files.
Develop and Implement Continuous Improvement Training and Education	 1 yellow	Four levels of Continuous Improvement training developed, and three levels implemented.
Develop Inventory of Business Processes	 1 green	Over 100 processes inventoried in the Division of Water. Over 40 processes inventoried in the Division of Watershed Stewardship.
Modernize Online Services	 1 green	Division of Fish and Wildlife licensing services transitioned to a new improved platform (ePermitting). Division of Water licensing and permitting services are being optimized and transitioning to the ePermitting platform.

Green: project performing to plan. **Yellow:** project experiencing manageable challenges. **Red:** project experiencing significant issues. **Gray:** project withdrawn.

Overview of Current Initiatives

Enterprise Content Management (ECM) also known as DNREctory

The ECM initiative provides every DNREC employee an information platform that improves their daily productivity. Enterprise Content Management is the scanning, indexing and storing of documents. Documents are version controlled and workflows support tracked approvals, eSignature, document search and publication.

Accomplishments and status of ECM include:

- Division of Air Quality (DAQ) live and successful utilizing DNREctory since March 2019. Division of Air Quality uses ECM to capture incoming mail and route all documents electronically, speeding up the mail process by 40 percent.
- Department of Natural Resources and Environmental Control, Division of Human Resources is capturing all employee files electronically. Improvement results are as follows:
 - For employees moving around, DNREC to DNREC changes, 100 percent paperless from 0 percent paperless.
 - For outgoing employees, saves .5 to 3 hours per file for scanning, can now be sent electronically.

The Department of Natural Resources and Environmental Control's next steps for implementation in Divisions include:

- The Office of the Secretary Fiscal, Office of the Secretary Environmental Finance, the Divisions of Climate Coastal and Energy, Fish and Wildlife and Parks and Recreation are all targeted to go-live by the end of October.
- The Divisions of Waste and Hazardous Substances, Water, and Watershed Stewardship and Community Affairs are targeted to go-live by the end of November.

Modernize Online Services

The objective of the modernization of online services is to transform legacy applications and manual permit, license and registration processes to better serve our customers and improve and increase efficiency.

Accomplishments achieved in 2020 and next steps:

- Transitioning from e-Gov to the ePermitting platform:
 - Decreased the amount of time it takes to complete a request -- A manual time study of using e-Gov to complete a request took approximately 15-17 minutes to complete from beginning to end. The average session time for someone to do the same in ePermitting DNREC is 6.54 minutes.
 - Increased user accessibility – e-Gov was incompatible with Apple products, however the new ePermitting platform allows users of these devices to use the site more effectively – as Apple device users represent 40 percent of the Division of Fish and Wildlife users.
- Launch of DNREC’s ePermitting system for the Division of Fish and Wildlife. Customers can create an online account profile, register and purchase fishing and hunting licenses, receive seasonal license renewal reminders, track required courses, and view all activities via a dashboard. This provides customers flexibility and ease to purchase, track and receive information regarding their licenses.
- COVID-19 required emergency development of an application and payment acceptance system for the Division of Water. Through ePermitting the system was developed in just a few weeks. Once it was live the Division of Water collected customer feedback on how to make the system easier and the project team very quickly modified the process to incorporate the accepted suggestions. The Division of Water is now accepting 58 applications across the division.

The Department of Natural Resources and Environmental Control’s next steps for modernization of online services include:

- Solid & Hazardous Waste Transporters and Scrap Tires release December 2020.
- Division of Water Liquid Waste Transporters release December 2020
- Commercial Fishing license to release November 2020.
- Air Quality Minor Sources and Regulation 2 release January 2021.
- Water licensing March 2021 and Permitting release June 2021.

Development and Implementation of Continuous Improvement Training and Education

The Department of Natural Resources and Environmental Control’s goal for the development and implementation of continuous improvement and problem-solving training is to increase employee general awareness and knowledge of problem solving and continuous improvement while incorporating Lean methodology into the learning. The courses allow employees to gain knowledge and skills that increase their ability to identify opportunities to better manage performance while creating a culture of continuous improvement. Four courses were developed in 2019. COVID-19 has affected the delivery of in-person training in 2020.

Training accomplishments in 2020 include the deployment of three of four in-house trainings developed:

- Continuous Improvement 101 (CI 101) – an online introduction into continuous improvement and LEAN. This online course has been attended by over 170 employees.

- Continuous Improvement 102 (CI 102) – an in-person class that expands the continuous improvement knowledge and provides a basic understanding of problem-solving methods and concepts. This class was held four times in Fiscal Year 2020.
- Continuous Improvement 103 (CI 103) - an in-person class that shows the important role data plays in problem solving, how to identify and categorize performance metrics and use metrics to describe a problem. This class was held three times in Fiscal Year 2020.

The Department of Natural Resources and Environmental Control's next steps for further implementation of continuous improvement education:

- Develop virtual training versions of the CI series in shorter modules.
- Expand opportunities for learning by exploring virtual brown bag lunch and learns, virtual Q & A's on CI topics, and other learning alternatives.

Inventory of Business Processes

The department recognizes that before you can optimize business processes to create efficiency and ensure accountability, you must identify them.

Business Process Inventory accomplishments include:

- Development of a Business Process Inventory for Business Process Optimization Video Presentation focused on the benefits of inventorying processes and how to get started. The presentation was shared with DNREC Directors and Program Managers. To date fifty-seven recipients have viewed the presentation.
- Division of Watershed Stewardship began developing an inventory of processes as part of the division's efforts to create a work group to focus on improvements in the Tax Ditch Program. Utilizing the GEAR standard business optimization tool, the Tax Ditch Program has a current inventory of over 40 processes modeled and growing. In addition to modeling the processes, the identification of and deeper dives into a few of these processes facilitated:
 - The creation of two GIS dashboards that provide the ability to respond to stakeholders and allows sharing of valuable information on a platform that all partners can use in a way that hasn't been done before.
 - The identification of 231 gates (location and type) along the tax ditch which were previously unknown.
- Working with the GEAR Field Team and utilizing process modeling software to review and re-engineer, the Division of Water developed an inventory of all permitting, licensing and compliance enforcement processes. The inventory facilitated:
 - The consolidation of 12 licensing forms to four.
 - The standardization of best management practices from three section programs across the division.
 - The establishment of self-permitting and general permits for high value, low risk activities that will result in a 25 percent reduction of staff workload in affected sections. and diminish the average customer permit approval time from two weeks to two hours.

The Department of Natural Resources and Environmental Control's next steps for business inventorying and optimizing include:

- Continuing to partner and collaborate with the GEAR Field Team on the use of the new standard process modeling platform, modeling standards and continuous improvement work.
- Conducting a series of Business Process Inventorying and Optimizing Q & A's session with guest speakers sharing their experience with business process inventorying and process optimization.

Environmental Justice Continuous Improvement Initiative

Environmental justice is defined by the Environmental Protection Agency as "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and

enforcement of environmental laws, regulations, and policies.” The Department of Natural Resources and Environmental Control is committed to increasing efforts to ensure environmental justice for all communities. This project work includes but is not limited to:

- Increasing employee awareness and understanding of environmental justice.
- Expanding the incorporation of environmental justice into departments decisions and actions.
- Improving communication and outreach with environmental justice communities.

This project is in the initial stage:

- A team has been assembled with representation from each division. The team members have varying experiences and roles within the department.
- The Secretary kicked off the team’s first meeting.
- A draft project charter is being reviewed and edited for finalizing.
- A baseline of activities and initiatives are being collected.